

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1691

H.P. 1199

House of Representatives, June 15, 2005

An Act To Eliminate Pension Cost Reduction Bonding and Provide Replacement Budgeting Measures

Reported by the Majority from the Joint Standing Committee on Appropriations and
Financial Affairs pursuant to Joint Order 2005, H.P. 1194.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

2	GENERAL FUND	2005-06	2006-07
	All Other	(\$10,000)	(\$10,000)
4			
	GENERAL FUND TOTAL	(\$10,000)	(\$10,000)
6			
	ATTORNEY GENERAL, DEPARTMENT OF THE		
8	DEPARTMENT TOTALS	2005-06	2006-07
10	GENERAL FUND	(\$160,000)	(\$557,981)
12	DEPARTMENT TOTAL - ALL FUNDS	(\$160,000)	(\$557,981)

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PART AA

Sec. AA-1. 36 MRSA §4365, as amended by PL 2005, c. 218, §44, is further amended to read:

§4365. Rate of tax

A tax is imposed on all cigarettes imported into this State or held in this State by any person for sale at the rate of 50 100 mills for each cigarette. Payment of the tax is evidenced by the affixing of stamps to the packages containing the cigarettes.

Sec. AA-2. 36 MRSA §4365-E, as amended by PL 2005, c. 218, §45, is repealed.

Sec. AA-3. 36 MRSA §4365-F is enacted to read:

§4365-F. Application of cigarette tax rate increase effective September 19, 2005

The following provisions apply to cigarettes held for resale on September 19, 2005.

1. Stamped rate. Cigarettes stamped at the rate of 50 mills per cigarette and held for resale after September 18, 2005 are subject to tax at the rate of 100 mills per cigarette.

2. Liability. A person possessing cigarettes for resale is liable for the difference between the tax rate of 100 mills per cigarette and the tax rate of 50 mills per cigarette in effect before September 19, 2005. Stamps indicating payment of the tax imposed by this section must be affixed to all packages of cigarettes held for resale as of September 19, 2005, except that cigarettes held in vending machines as of that date do not require that stamp.

2 3. Vending machines. Notwithstanding any other provision of
3 this chapter, it is presumed that all cigarette vending machines
4 are filled to capacity on September 19, 2005 and that the tax
5 imposed by this section must be reported on that basis. A credit
6 against this inventory tax must be allowed for cigarettes stamped
7 at the rate of 100 mills per cigarette placed in vending machines
8 before September 19, 2005.

9
10 4. Payment. Payment of the tax imposed by this section must
11 be made to the assessor by December 19, 2005, accompanied by
12 forms prescribed by the assessor.

13
14 **Sec. AA-4. 36 MRSA §4366-A, sub-§2, ¶¶B and C, as amended by**
15 **PL 2005, c. 218, §46, are further amended to read:**

16 B. For stamps at the face value of 50 mills sold prior to
17 July 1, 2002, 2.16%; and

18 C. For stamps at the face value of 50 mills sold on or
19 after July 1, 2002, 2.03%; and

20
21 **Sec. AA-5. 36 MRSA §4366-A, sub-§2, ¶D is enacted to read:**

22 D. For stamps at the face value of 100 mills, 1.15%.

23
24 **Sec. AA-6. 36 MRSA §4403, sub-§§1 and 2, as amended by PL**
25 **2005, c. 218, §48, are further amended to read:**

26
27 **1. Smokeless tobacco.** A tax is imposed on all smokeless
28 tobacco, including chewing tobacco and snuff, at the rate of 62%
29 ~~of the wholesale price~~ 78% of the wholesale price beginning
30 October 1, 2005.

31
32 **2. Other tobacco.** A tax is imposed on cigars, pipe tobacco
33 and other tobacco intended for smoking at the rate of ~~16% of the~~
34 ~~wholesale price~~ 20% of the wholesale price beginning October 1,
35 2005.

36
37 **Sec. AA-7. Appropriations and allocations.** The following
38 appropriations and allocations are made.

39 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

40 **Maine Revenue Services 0002**

41
42 Initiative: Provides one-time funds for the administrative costs
43 associated with the increase in the cigarette and other tobacco
44 taxes.

45 **GENERAL FUND** 2005-06 2006-07

2 Part Z reduces funding to the Department of the Attorney
3 General as a result of the elimination of merit pay increases for
4 unclassified positions in fiscal year 2006-07 and reduces funds
5 for civil rights teams and deappropriates salary savings from the
6 Human Services Division account and the District Attorneys
7 Salaries account.

8 PART AA

10 Part AA increases the cigarette tax by \$1 per pack of 20
11 cigarettes effective September 19, 2005. It also increases the
12 other tobacco tax from 16% of the wholesale price to 20% and the
13 tax on smokeless tobacco from 62% to 78% of the wholesale price.

14 PART BB

16 Part BB requires the Maine Municipal Bond Bank to transfer
17 \$5,900,000 from the School Revolving Renovation Fund account
18 representing audit recoveries from major school construction
19 projects paid by General Fund appropriations to the General Fund
20 no later than October 31, 2005.

22 PART CC

24 Part CC eliminates the General Fund appropriations to the
25 Department of Public Safety for the cost of conducting background
26 checks and fingerprinting for certain school employees. It also
27 establishes a \$55 fee for the costs of the fingerprinting and
28 background checks to be paid by the applicant and establishes a
29 nonlapsing dedicated account within the Department of Education
30 to be used to reimburse the State Bureau of Identification for
31 the cost of conducting the fingerprinting and background checks.

34 PART DD

36 Part DD reduces the amount of state-municipal revenue
37 sharing distributed from the Local Government Fund, "Revenue
38 Sharing 1," during fiscal year 2006-07 by \$5,000,000. This
39 transfer does not affect the amounts transferred from the
40 Disproportionate Tax Burden Fund, "Revenue Sharing 2," or the
41 amounts transferred to the Fund for the Efficient Delivery of
42 Local and Regional Services.

44 PART EE

46 Part EE requires the State Controller to transfer \$2,335,918
47 in fiscal year 2005-06 and \$2,451,935 in fiscal year 2006-07 from
48 the Fund for the Efficient Delivery of Local and Regional
49 Services to the unappropriated surplus of the General Fund.