

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment by striking out all of Parts Z and GG.

Amend the amendment by inserting after Part HH the following:

## PART II

**Sec. II-1. Appropriations and allocations.** The following appropriations and allocations are made.

### HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)

#### Mental Health Services - Child Medicaid 0731

Initiative: Restores funding under the MaineCare program for persons 19 and 20 years of age with income less than or equal to 150% of the nonfarm income official poverty line.

GENERAL FUND	2011-12	2012-13
All Other	\$0	\$238,173
GENERAL FUND TOTAL	\$0	\$238,173

#### Mental Health Services - Children 0136

Initiative: Provides funds to offset a reduction in contracts for residential services in Part A of this Act.

GENERAL FUND	2011-12	2012-13
All Other	\$0	\$1,250,000
GENERAL FUND TOTAL	\$0	\$1,250,000

#### Mental Health Services - Community Medicaid 0732

Initiative: Restores funding under the MaineCare program for persons 19 and 20 years of age with income less than or equal to 150% of the nonfarm income official poverty line.

GENERAL FUND	2011-12	2012-13
All Other	\$0	\$138,229
GENERAL FUND TOTAL	\$0	\$138,229

**HEALTH AND HUMAN SERVICES, DEPARTMENT  
OF (FORMERLY BDS)**

<b>DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$1,626,402</b>
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<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$1,626,402</b>

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

**Head Start 0545**

Initiative: Restores funding for the Head Start program.

<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$2,000,000
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<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$2,000,000</b>

**Medical Care - Payments to Providers 0147**

Initiative: Restores funding for Medicaid services for a parent or a caretaker relative of an eligible child from a maximum of 133% of the federal poverty level to 100%.

<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$5,866,833
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<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$5,866,833</b>

<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$10,106,031
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<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$0</b>	<b>\$10,106,031</b>

**Medical Care - Payments to Providers 0147**

Initiative: Restores funding under the MaineCare program for persons 19 and 20 years of age with income less than or equal to 150% of the nonfarm income official poverty line.

<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$3,653,598
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$3,653,598</b>

<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$6,941,958
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$0</b>	<b>\$6,941,958</b>

**State-funded Foster Care/Adoption Assistance 0139**

Initiative: Provides funds to offset a reduction in contracts in the family reunification program in Part A of this Act.

<b>GENERAL FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$0	\$1,249,500
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$1,249,500</b>

<b>HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)</b>		
<b>DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
GENERAL FUND	\$0	\$12,769,931
FEDERAL EXPENDITURES FUND	\$0	\$17,047,989
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$29,817,920</b>

<b>SECTION TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
GENERAL FUND	\$0	\$14,396,333
FEDERAL EXPENDITURES FUND	\$0	\$17,047,989
<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$31,444,322</b>

**PART JJ**

**Sec. JJ-1. 36 MRSA §5117** is enacted to read:

**§ 5117. Tax equalization**

For tax years beginning on or after January 1, 2012, a tax equalization payment is imposed on every resident individual who is determined, solely on the basis of expanded income and with respect to the most recent tax incidence analysis report filed with the Legislature under section 200, to fall within the top 1% of Maine resident individual taxpayers.

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Expanded income" means the income of the taxpayer determined pursuant to section 6201, subsection 9.

B. "State and local tax burden" means the average effective tax rate of all state and local taxes paid by all individual taxpayers in a class of taxpayers.

C. "Tax equalization gap" means the difference between the state and local tax burden for the top 1% of taxpayers and the state and local tax burden for the bottom 99% of taxpayers based on expanded income as identified in the most recent tax incidence analysis report filed with the Legislature under section 200.

**2. Partial tax equalization rate.** By September 15, 2012 and annually thereafter, the State Tax Assessor shall calculate the tax equalization gap. The partial tax equalization rate is the lesser of the tax equalization gap and the rate specified in this subsection and may not be less than zero. The partial tax equalization rate specified in this subsection applies to the tax years that begin during the calendar year during which the rate is calculated. For tax years beginning on or after January 1, 2012, the partial tax equalization rate is .288%.

**3. Tax equalization payment amount.** The tax equalization payment amount under this section for any taxable year is equal to the partial tax equalization rate for that taxable year determined in accordance with subsection 2 multiplied by the expanded income of the taxpayer for the taxable year. For the purposes of this subsection, the expanded income of the taxpayer is the total expanded income for the income tax filing unit regardless of income tax filing status.

**4. Payment; enforcement.** The State Tax Assessor shall provide for the reporting and payment of the tax equalization payment on individual income tax forms. The tax equalization payment is not income tax for the purposes of this Part. The provisions of this Title applying to the collection and enforcement of income taxes apply to the collection and enforcement of the tax equalization payment except that an obligation to pay estimated taxes under section 5228 does not apply with regard to the tax equalization payment. Income tax credits available under chapter 822 do not apply with regard to the tax equalization payment.

**5. Rules.** The State Tax Assessor may adopt rules, which are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A, to implement this section.'

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

## **SUMMARY**

This amendment restores funding to support health for Maine families, including MaineCare coverage for persons 19 and 20 years of age; residential care for children; the Head Start program; MaineCare coverage for parents and caretakers of eligible children at 133% of the federal poverty level; and support for family reunification. The amendment provides funding for the restoration of services through the establishment of a tax equalization payment imposed on persons whose state and local tax burden is in the top 1% of all taxpayers.

**FISCAL NOTE REQUIRED**  
**(See attached)**