

## STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND NINETEEN

H.P. 1093 - L.D. 1491

**Resolve, To Study Consolidation of Payment of Cost-of-living Tax Credits**

**Sec. 1. Study of consolidation of payment of cost-of-living tax credits; working group established. Resolved:** That the Working Group to Study Consolidation of Payment of Cost-of-living Tax Credits, referred to in this resolve as "the working group," is established to make recommendations to the Legislature regarding the most efficient and effective means to consolidate application and payment of cost-of-living tax credits, including recommendations for making such payments available on a periodic advance basis throughout the year. For the purposes of this section, "cost-of-living tax credits" means the following individual income tax credits under the Maine Revised Statutes, Title 36, chapter 822, which assist Maine taxpayers with basic living expenses: the sales tax fairness credit, the property tax fairness credit, the credit for child care expenses, the credit for adult dependent care expenses and any similar credit identified by the working group.

**1. Membership.** The working group consists of 9 members appointed by the Associate Commissioner for Tax Policy within the Department of Administrative and Financial Services, Bureau of Revenue Services, referred to in this resolve as "the associate commissioner":

- A. Two representatives of organizations with expertise in matters related to accessing income supports, assisting low-income populations with tax filing or tax policy affecting adults with low incomes;
- B. One representative of an organization representing Maine workers;
- C. One representative of an organization with expertise in legal and policy matters related to public benefit programs that assist individuals with low incomes;
- D. Two low-income residents of the State currently enrolled in the federal Medicaid program, the federal supplemental nutrition assistance program administered by the State pursuant to Title 22, section 3104 or the Temporary Assistance for Needy Families program pursuant to Title 22, chapter 1053-B;
- E. One representative, recommended by the Commissioner of Health and Human Services, with expertise in the administration of public assistance programs; and

F. Two other individuals chosen by the associate commissioner or the associate commissioner's designee.

**2. First meeting; chair.** The associate commissioner or the associate commissioner's designee shall convene the first meeting of the working group no later than October 15, 2019. At the first meeting the working group shall select a chair from among its membership. The working group may create subgroups to work on specific issues or initiatives and may include individuals who are not working group members.

**3. Duties.** The working group shall:

A. Review the current method of applying for cost-of-living tax credits to determine how applications for those credits may be consolidated into a single, simplified application;

B. Determine the most efficient method for making a single consolidated payment to eligible individuals for all cost-of-living tax credits for which these individuals are eligible;

C. For making consolidated payments, review possible periodic schedules that are administratively feasible and best meet the needs of eligible individuals;

D. Determine methods to facilitate claims for cost-of-living tax credits, including any consolidated payments recommended by the working group, for persons applying for assistance from the Maine Department of Health and Human Services through its automated client eligibility system;

E. Examine mechanisms for providing any advance consolidated payment of cost-of-living tax credits recommended by the working group to persons receiving assistance through means-tested assistance programs, including, but not limited to, the federal Medicaid program, the federal supplemental nutrition assistance program administered by the State pursuant to Title 22, section 3104 or the Temporary Assistance for Needy Families program pursuant to Title 22, chapter 1053-B in a manner that will not reduce assistance from these programs solely as a result of receiving the advance consolidated payment; and

F. Review administrative policies and practices to prevent overpayments in advance periodic payments of cost-of-living tax credits and review practices to allow for payment adjustments to reflect changes to income throughout the year.

**Sec. 2. Report. Resolved:** That by February 1, 2020, the associate commissioner shall submit the results of its study, including any suggested legislation necessary to implement the recommendations of the working group, to the Joint Standing Committee on Taxation and the Joint Standing Committee on Appropriations and Financial Affairs. Each committee may submit a bill to the Second Regular Session of the 129th Legislature related to the report.

**Sec. 3. Staff assistance. Resolved:** That the Department of Administrative and Financial Services shall provide necessary staffing services to the working group.