

Date: (Filing No. H-)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT " " to COMMITTEE AMENDMENT "A" to S.P. 600, L.D. 1746, Bill, "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2012 and June 30, 2013"

Amend the amendment by striking out all of Part G.

Amend the amendment by inserting after Part HH the following:

PART II

Sec. II-1. 36 MRSA §4401, sub-§1-B is enacted to read:

1-B. Cigar. "Cigar" means a tobacco product that consists of:

- A. A roll of tobacco wrapped in leaf tobacco; or
B. A roll of tobacco that is wrapped in a substance other than leaf tobacco and that is not defined as a cigarette under section 4361, subsection 1-A or as a little cigar.

Sec. II-2. 36 MRSA §4401, sub-§§2-A and 2-B are enacted to read:

2-A. Little cigar. "Little cigar" means a roll of tobacco that is wrapped in a reconstituted tobacco sheet or any other substance containing tobacco, other than whole leaf tobacco, that is not a cigarette as defined in section 4361, subsection 1-A and that:

- A. Has a typical cigarette size and shape with a cellulose acetate or other cigarette-type integrated filter;
B. Is marketed in a traditional cigarette-type package or a package that bears a product designation or tax classification specified in 27 Code of Federal Regulations, Section 40.214(c) (2011); or
C. Has a filler that consists primarily of flue-cured, burley, oriental or unfermented tobacco or any other material that yields the smoking characteristics of those tobaccos.

1 **2-B. Loose tobacco.** "Loose tobacco" means any unwrapped tobacco sold or
2 otherwise intended or expected to be smoked, including roll-your-own tobacco and pipe
3 tobacco.

4 **Sec. II-3. 36 MRSA §4401, sub-§§7-A and 7-B** are enacted to read:

5 **7-A. Single-unit tobacco product.** "Single-unit tobacco product" means any
6 tobacco product other than cigarettes or cigars that is offered in discrete single-use
7 tablets, lozenges, pouches, pills or other single-dose or single-use units or in packages of
8 such single-use units.

9 **7-B. Smokeless tobacco.** "Smokeless tobacco" means any finely cut, ground or
10 powdered tobacco or blend containing tobacco that is intended for oral consumption
11 without being combusted and that is not offered or consumed in individual single-dose
12 tablets, lozenges, pills or other discrete single-use or single-dose units.

13 **Sec. II-4. 36 MRSA §4403, sub-§1**, as repealed and replaced by PL 2009, c. 213,
14 Pt. H, §1 and affected by §3, is repealed.

15 **Sec. II-5. 36 MRSA §4403, sub-§1-A** is enacted to read:

16 **1-A. Smokeless tobacco.** Beginning October 1, 2012, a tax is imposed:

17 A. On amounts of smokeless tobacco packaged for sale to the consumer in a package
18 that contains one ounce or more of smokeless tobacco at the rate of 100 mills per .036
19 ounces of smokeless tobacco packaged for sale; and

20 B. On smokeless tobacco packaged for sale to the consumer in a package that
21 contains less than one ounce of smokeless tobacco at the rate of \$2.00 per package.

22 **Sec. II-6. 36 MRSA §4403, sub-§2**, as amended by PL 2005, c. 627, §8, is
23 repealed.

24 **Sec. II-7. 36 MRSA §4403, sub-§2-A** is enacted to read:

25 **2-A. Other tobacco.** Beginning October 1, 2012, a tax is imposed on the following
26 tobacco products at the following rates:

27 A. On cigars with a retail price of \$2.50 per cigar or more, 70% of the wholesale
28 price;

29 B. On cigars with a retail price of less than \$2.50 per cigar, \$1.75 per cigar;

30 C. On loose tobacco, 100 mills per .036 ounces;

31 D. On little cigars, 100 mills per little cigar; and

32 E. On single-unit tobacco products, 70% of the wholesale price.

33 **Sec. II-8. 36 MRSA §4403, sub-§5** is enacted to read:

34 **5. Equivalence with cigarette tax.** If the tax on cigarettes under chapter 703 is
35 increased, the State Tax Assessor shall calculate a rate of tax on tobacco products under
36 this section that is substantially equivalent to the tax on cigarettes. The assessor shall
37 submit a bill to the Legislature at the earliest opportunity to amend this section to
38 incorporate equivalent rates.

1 **Sec. II-9. Appropriations and allocations.** The following appropriations and
 2 allocations are made.

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

4 **FHM - Bureau of Health 0953**

5 Initiative: Restores funding for the Fund for a Healthy Maine FHM - Bureau of Health
 6 program, Community School Grant account.

7	FUND FOR A HEALTHY MAINE	2011-12	2012-13
8	All Other	\$0	\$2,239,616
9			
10	FUND FOR A HEALTHY MAINE TOTAL	<u>\$0</u>	<u>\$2,239,616</u>

11 **FHM - Bureau of Health 0953**

12 Initiative: Allocates funds for the tobacco help line.

13	FUND FOR A HEALTHY MAINE	2011-12	2012-13
14	All Other	\$0	\$100,000
15			
16	FUND FOR A HEALTHY MAINE TOTAL	<u>\$0</u>	<u>\$100,000</u>

17 **FHM - Medical Care 0960**

18 Initiative: Notwithstanding any other provision of law, adjusts funding by increasing
 19 funding in the Medical Care - Payments to Providers program and decreasing funding in
 20 the FHM - Medical Care program to reflect a redistribution of funding within the Fund
 21 for a Healthy Maine.

22	FUND FOR A HEALTHY MAINE	2011-12	2012-13
23	All Other	\$0	(\$3,936,231)
24			
25	FUND FOR A HEALTHY MAINE TOTAL	<u>\$0</u>	<u>(\$3,936,231)</u>

26 **FHM - Purchased Social Services 0961**

27 Initiative: Restores funding for child care services in the Fund for a Healthy Maine FHM
 28 - Purchased Social Services program.

29	FUND FOR A HEALTHY MAINE	2011-12	2012-13
30	All Other	\$0	\$1,596,615
31			
32	FUND FOR A HEALTHY MAINE TOTAL	<u>\$0</u>	<u>\$1,596,615</u>

33 **Medical Care - Payments to Providers 0147**

1 Initiative: Restores funding for reimbursement for smoking cessation products.

2	GENERAL FUND	2011-12	2012-13
3	All Other	\$0	\$430,000
4			
5	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$430,000</u>
6	FEDERAL EXPENDITURES FUND	2011-12	2012-13
7	All Other	\$0	\$740,705
8			
9	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>\$740,705</u>

10 **Medical Care - Payments to Providers 0147**

11 Initiative: Notwithstanding any other provision of law, adjusts funding by increasing
 12 funding in the Medical Care - Payments to Providers program and decreasing funding in
 13 the FHM - Medical Care program to reflect a redistribution of funding within the Fund
 14 for a Healthy Maine.

15	GENERAL FUND	2011-12	2012-13
16	All Other	\$0	\$3,936,231
17			
18	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$3,936,231</u>

19	HEALTH AND HUMAN SERVICES,		
20	DEPARTMENT OF (FORMERLY DHS)		
21	DEPARTMENT TOTALS	2011-12	2012-13
22			
23	GENERAL FUND	\$0	\$4,366,231
24	FEDERAL EXPENDITURES FUND	\$0	\$740,705
25	FUND FOR A HEALTHY MAINE	\$0	\$0
26			
27	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$5,106,936</u>

28 **Sec. II-10. Effective date.** Those sections of this Act that repeal the Maine
 29 Revised Statutes, Title 36, section 4403, subsections 1 and 2 and enact Title 36, section
 30 4403, subsections 1-A and 2-A take effect October 1, 2012.'

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

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SUMMARY

This amendment requires that all tobacco products be taxed at rates equivalent to the current tax on cigarettes.

The amendment provides funds for the operation of a help line to provide those tobacco users seeking to quit smoking a mechanism to do so. It also restores funding to the MaineCare tobacco cessation products benefit and provides partial restoration of funds to the Fund for a Healthy Maine FHM - Bureau of Health program, Community School Grant account to support those tobacco users seeking to quit smoking. It also provides partial restoration of funds to child care subsidies.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY: _____

(Representative VOLK)

TOWN: Scarborough