

Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. 22 MRSA §23, sub-§1, ¶B, as corrected by RR 2011, c. 2, §23, is amended to read:

B. A gambling facility, as defined in Title 8, section 1001, subsection 16, except that use of the electronic benefits transfer system is permitted in any portion of the premises of a gambling facility that is set aside separately for the sale primarily of staple foods as defined in 7 United States Code, Section 2012(r); ~~or~~

Sec. A-2. 22 MRSA §23, sub-§1, ¶C, as enacted by PL 2011, c. 687, §4, is amended to read:

C. A retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment;

Sec. A-3. 22 MRSA §23, sub-§1, ¶¶D and E are enacted to read:

D. A tobacco specialty store, as defined in section 1541, subsection 7; or

E. Any business when the transaction is for money transmission to a location abroad, as described in Title 32, section 6102, subsection 10.

Sec. A-4. 22 MRSA §3104, sub-§14, as amended by PL 2009, c. 291, §2, is repealed.

Sec. A-5. 22 MRSA §3104, sub-§15 is enacted to read:

15. Waiver request. On or before October 1st of each calendar year, the department shall submit to the United States Department of Agriculture a request for a waiver to allow the department to impose nutritional requirements on purchases under the food supplement program. The goals of the waiver request must be to limit purchases to foods with high nutritional value and to exclude foods with low nutritional value, including but not limited to candy and soda.

Sec. A-6. 22 MRSA §3104-A, sub-§1, as amended by PL 2013, c. 368, Pt. OO, §§1 and 2, is repealed and the following enacted in its place:

1. Food assistance. The department may not provide food assistance to any alien who is ineligible for assistance under 8 United States Code, Section 1621(a) (2015), unless the alien is an asylum seeker who is elderly or disabled, as described under the laws governing supplemental security income in 42 United States Code, Sections 1381 to 1383f (2010), who is already receiving food assistance under this subsection as of July 1, 2015 and who remains otherwise eligible. The department shall adopt routine technical rules as defined by Title 5, chapter 375, subchapter 2-A to implement this subsection.

Sec. A-7. 22 MRSA §3104-A, sub-§§2 and 3, as amended by PL 2009, c. 291, §3, are repealed.

Sec. A-8. 22 MRSA §3762, sub-§1, ¶¶B-2, B-3 and D-1 are enacted to read:

B-2. "Drug" means a controlled substance as defined in the federal Controlled Substances Act, 21 United States Code, Section 802(6) (2015).

B-3. "Drug test" means a chemical test administered to determine the presence of a drug or a drug's metabolites in a person's body fluids.

D-1. "Substance use disorder" means any diagnosable disorder characterized by a cluster of cognitive, behavioral and physiological symptoms indicating that the individual continues to use a substance despite significant substance-related problems that is supported by the most current edition of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association.

Sec. A-9. 22 MRSA §3762, sub-§3, ¶B, as amended by PL 2015, c. 267, Pt. RRRR, §2, is further amended to read:

B. The department may use funds, insofar as resources permit, provided under and in accordance with the United States Social Security Act or state funds appropriated for this purpose or a combination of state and federal funds to provide assistance to families under this chapter. In addition to assistance for families described in this subsection, funds must be expended for the following purposes:

(1) To continue the pass-through of the first \$50 per month of current child support collections and the exclusion of the \$50 pass-through from the budget tests and benefit calculations;

~~(2) To provide financial assistance to noncitizens legally admitted to the United States who are receiving assistance under this subsection as of July 1, 2011. Recipients of assistance under this subparagraph are limited to the categories of noncitizens who would be eligible for the TANF programs but for their status as aliens under PRWORA. Eligibility for the TANF program for these categories of noncitizens must be determined using the criteria applicable to other recipients of assistance from the TANF program. Any household receiving assistance as of July 1, 2011 may continue to receive assistance, as long as that household remains eligible, without regard to interruptions in coverage or gaps in eligibility for service. A noncitizen legally admitted to the United States who is neither receiving assistance on July 1, 2011 nor has an application pending for assistance on July 1, 2011 that is later approved is not eligible for financial assistance through a state funded program unless that noncitizen is:~~

~~(a) Elderly or disabled, as described under the laws governing supplemental security income in 42 United States Code, Sections 1381 to 1383f (2010);~~

~~(b) A victim of domestic violence;~~

~~(c) Experiencing other hardship, such as time necessary to obtain proper work documentation, as defined by the department by rule. Rules adopted by the department under this division are routine technical rules as defined by Title 5, chapter 375, subchapter 2 A; or~~

- ~~(d) Unemployed but has obtained proper work documentation, as defined by the department by rule. Rules adopted by the department under this division are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A;~~
- (3) To provide benefits to certain 2-parent families whose deprivation is based on physical or mental incapacity;
- (4) To provide an assistance program for needy children, 19 to 21 years of age, who are in full-time attendance in secondary school. The program is operated for those individuals who qualify for TANF under the United States Social Security Act, except that they fail to meet the age requirement, and is also operated for the parent or caretaker relative of those individuals. Except for the age requirement, all provisions of TANF, including the standard of need and the amount of assistance, apply to the program established pursuant to this subparagraph;
- (5) To provide assistance for a pregnant woman who is otherwise eligible for assistance under this chapter, except that she has no dependents under 19 years of age. An individual is eligible for the monthly benefit for one eligible person if the medically substantiated expected date of the birth of her child is not more than 90 days following the date the benefit is received;
- (6) To provide a special housing allowance for TANF families whose shelter expenses for rent, mortgage or similar payments, homeowners insurance and property taxes equal or exceed 75% of their monthly income. The special housing allowance is limited to \$200 per month for each family. For purposes of this subparagraph, "monthly income" means the total of the TANF monthly benefit and all income countable under the TANF program, plus child support received by the family, excluding the \$50 pass-through payment;
- (7) In determining benefit levels for TANF recipients who have earnings from employment, the department shall disregard from monthly earnings the following:
- (a) One hundred and eight dollars;
 - (b) Fifty percent of the remaining earnings that are less than the federal poverty level; and
 - (c) All actual child care costs necessary for work, except that the department may limit the child care disregard to \$175 per month per child or \$200 per month per child under 2 years of age or with special needs;
- (7-A) In determining eligibility and benefit levels, the department may apply a gross income test only to applicants and not to recipients;
- (8) In cases when the TANF recipient has no child care cost, the monthly TANF benefit is the maximum payment level or the difference between the countable earnings and the standard of need established by rule adopted by the department, whichever is lower;
- (9) In cases when the TANF recipient has child care costs, the department shall determine a total benefit package, including TANF cash assistance, determined in accordance with subparagraph (7) and additional child care assistance, as

provided by rule, necessary to cover the TANF recipient's actual child care costs up to the maximum amount specified in section 3782-A, subsection 5. The benefit amount must be paid as provided in this subparagraph.

(a) Before the first month in which child care assistance is available to an ASPIRE-TANF recipient under this paragraph and periodically thereafter, the department shall notify the recipient of the total benefit package and the following options of the recipient: to receive the total benefit package directly; or to have the department pay the recipient's child care assistance directly to the designated child care provider for the recipient and pay the balance of the total benefit package to the recipient.

(b) If an ASPIRE-TANF recipient notifies the department that the recipient chooses to receive the child care assistance directly, the department shall pay the total benefit package to the recipient.

(c) If an ASPIRE-TANF recipient does not respond or notifies the department of the choice to have the child care assistance paid directly to the child care provider from the total benefit package, the department shall pay the child care assistance directly to the designated child care provider for the recipient. The department shall pay the balance of the total benefit package to the recipient;

(10) Child care assistance under this paragraph must be paid by the department in a prompt manner that permits an ASPIRE-TANF recipient to access child care necessary for work; and

(11) The department shall adopt rules pursuant to Title 5, chapter 375 to implement this subsection. Rules adopted pursuant to this subparagraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. A-10. 22 MRSA §3762, sub-§3, ¶C is enacted to read:

C. The department may not provide TANF assistance to any alien who is ineligible for assistance under 8 United States Code, Section 1621(a) (2015), unless the alien is an asylum seeker who is elderly or disabled, as described under the laws governing supplemental security income in 42 United States Code, Sections 1381 to 1383f (2010), who is already receiving TANF assistance under this subsection as of July 1, 2015 and who remains otherwise eligible. The department shall adopt routine technical rules as defined by Title 5, chapter 375, subchapter 2-A to implement this paragraph.

Sec. A-11. 22 MRSA §3762, sub-§17, as enacted by PL 2001, c. 598, §2, is repealed.

Sec. A-12. 22 MRSA §3762, sub-§20, as reallocated by RR 2011, c. 1, §33, is amended to read:

20. Denial of assistance based on positive drug test. ~~A~~ An adult applicant for or an adult recipient of TANF assistance may be denied TANF assistance as described in this subsection.

~~A. The department may administer a drug test to a recipient of TANF assistance who has been convicted of a drug related felony, as described in Section 115 of PRWORA, within 20 years of that person's date of conviction.~~

~~B. If a person under paragraph A tests positive for an illegal drug, the department shall notify that person that:~~

~~(1) The person's TANF assistance is subject to termination;~~

~~(2) The person is entitled to a fair hearing regarding the termination of TANF assistance; and~~

~~(3) If the person requests a fair hearing, the person shall submit to a 2nd drug test to verify the results of the first drug test.~~

~~C. The results of the 2nd drug test must be available prior to the fair hearing, if practicable. The person shall cooperate in a timely manner in submitting to the 2nd drug test. If the 2nd drug test confirms that the person is using an illegal drug, the person may avoid termination of TANF assistance by enrolling in a substance abuse treatment program appropriate to the type of illegal drug being used by that person.~~

~~D. If the department determines that, for good cause, a person is unable to enroll in a substance abuse program as required by paragraph C, the person remains eligible for TANF assistance until such time that the department determines that the person is able to enroll in a substance abuse treatment program.~~

~~E. The department shall terminate TANF assistance to a person who fails to request a fair hearing and submit to a 2nd drug test as described in paragraph B or who fails to participate in a substance abuse treatment program as required pursuant to paragraph C or D.~~

F. An adult applicant for or an adult recipient of TANF benefits in the assistance unit who otherwise qualifies for cash assistance under the TANF program is required to complete a written screening questionnaire designed to determine the likelihood of the person's having a substance use disorder.

G. If the results of the written screening questionnaire under paragraph F indicate a reasonable likelihood that the adult applicant for or the adult recipient of TANF benefits may have a substance use disorder involving the misuse of a drug, the department shall require the person to submit to a drug test at the department's expense in order to receive or continue to receive cash assistance under the TANF program.

H. If the adult applicant for or the adult recipient of TANF benefits refuses to take the drug test required pursuant to paragraph G, the department may not provide or shall terminate cash assistance for the person and the person may not reapply for cash assistance for:

(1) Ninety days after a first refusal to take a drug test within one year; or

(2) One year after a 2nd refusal to take a drug test within one year.

I. A drug test under paragraph G must be administered with due regard to the privacy and dignity of the person being tested.

J. Before taking a drug test pursuant to paragraph G, an adult applicant for or an adult recipient of TANF benefits may advise the person administering the test regarding any prescription or over-the-counter medication that the person is taking.

K. The results of an individual written screening questionnaire under paragraph F and the results of an individual drug test under paragraph G are not public records under Title 1, chapter 13, subchapter 1 and disclosure to a 3rd party is prohibited. The department may release aggregate data related to the results of written screening questionnaires and drug tests.

L. If an adult applicant for or an adult recipient of TANF benefits tests negative for the unlawful use of a drug after taking a drug test, the person remains eligible for cash assistance, subject to the other TANF eligibility requirements.

M. If an adult applicant for or an adult recipient of TANF benefits tests positive for the unlawful use of a drug after taking a drug test, the person:

(1) Must be given a list of approved substance use disorder treatment providers that are available in the area in which the person resides; and

(2) May receive or continue to receive TANF benefits if the person enters into and follows the requirements of a substance use disorder treatment plan, including:

(a) Receiving treatment from an approved substance use disorder treatment provider for at least 90 days;

(b) Testing negative for the unlawful use of a drug:

(i) In each later drug test required by department rule during treatment; and

(ii) In an additional drug test given at the conclusion of treatment; and

(c) Meeting the other TANF requirements for receiving cash assistance.

N. If an adult applicant for or an adult recipient of TANF benefits declines to enter into a substance use disorder treatment plan pursuant to paragraph M or if the person enters into but fails to meet a requirement of a substance use disorder treatment plan, including if the person refuses to take a drug test required by a substance use disorder treatment plan or tests positive for the unlawful use of a drug in a drug test required by a substance use disorder treatment plan, the department may not provide or shall terminate cash assistance for the person and the person may not reapply for cash assistance for:

(1) Ninety days after the day on which the department determines that the person is not or is no longer eligible for cash assistance;

(2) One year after the day on which the department determines that the person is not or is no longer eligible for cash assistance, if the department had previously determined on one occasion in the past year that the person was not or was no longer eligible for cash assistance pursuant to this subsection; or

(3) Ten years after the day on which the department determines that the person is not or is no longer eligible for cash assistance, if the department had previously

determined on at least 2 other occasions in the past 5 years that the person was not or was no longer eligible for cash assistance pursuant to this subsection.

~~The department shall adopt routine technical rules, as defined in Title 5, chapter 375, subchapter 2-A, to implement the provisions of this subsection, including determining what constitutes "good cause" under paragraph D.~~

Sec. A-13. 22 MRSA §3762, sub-§21 is enacted to read:

21. Program on obtaining employment. Before TANF assistance may be granted to an applicant by the department, the applicant, if job ready as determined by the department, must complete a department-approved program focused on obtaining employment. The department shall adopt routine technical rules as defined by Title 5, chapter 375, subchapter 2-A to implement this subsection.

Sec. A-14. 22 MRSA §3763, sub-§8, as amended by PL 2005, c. 522, §1, is further amended to read:

8. Alternative aid. The department shall provide alternative aid to applicants who seek short-term assistance in order to obtain or retain employment. ~~The applicants~~ An applicant must meet the eligibility requirements established by rule adopted pursuant to section 3762, subsection 3, paragraph A and may not have reached the applicant's lifetime limit on assistance as described in section 3762, subsection 18. The alternative aid may not exceed 3 times the value of the monthly TANF grant for which the applicant's family is eligible. An eligible applicant may receive alternative aid no more than once during any ~~12-month~~ 24-month period. If the family reapplies for TANF within 3 months of receiving alternative aid, the family shall repay any alternative aid received in excess of the amount that the family would have received on TANF. The method of repayment must be the same as that used for the repayment of unintentional overpayments in the TANF program.

Sec. A-15. 22 MRSA §3763, sub-§§11 and 12 are enacted to read:

11. Restriction on use of electronic benefits transfer system outside State. A recipient of benefits under this chapter may not access those benefits through the electronic benefits transfer system established in section 22 outside of this State.

12. Prohibited expenditures. Benefits under this chapter may not be expended on or used for the following:

A. Tobacco products, as defined in section 1551, subsection 3;

B. Imitation liquor or liquor, as defined in Title 28-A, section 2, subsections 13 and 16, respectively;

C. Gambling activity, as defined in Title 8, section 1001, subsection 15;

D. Lotteries conducted by the State pursuant to Title 8, chapter 14-A or by the Tri-state Lotto Commission pursuant to Title 8, chapter 16;

E. Bail, as defined in Title 15, section 1003, subsection 1, or other court-imposed fees or fines;

F. Tattoo marks or figures, as described in Title 32, section 4201;

G. Travel services provided by a travel agent, as defined in Title 10, section 1141, subsection 4; or

H. Money transmission to locations abroad, as described in Title 32, section 6102, subsection 10.

Sec. A-16. 22 MRSA §3785, as amended by PL 1997, c. 530, Pt. A, §§20 to 24, is repealed and the following enacted in its place:

§3785. Sanctions

An individual may not be sanctioned under this program or Temporary Assistance for Needy Families for failure to participate in the ASPIRE-TANF program if that failure to participate is based on good cause due to domestic violence. Each individual participating in an ASPIRE-TANF orientation must receive written and oral notice of the domestic violence exception. Good cause for failure to participate in this program must be found when there is reasonable and verifiable evidence of an inability to participate due to domestic violence when the individual is unable to participate because of physical injuries or the psychological effects of abuse; because of legal proceedings, counseling or other activities related to abuse; because the abuser actively interferes with the individual's participation; because the location puts the individual at risk; or for other good cause related to domestic violence. For purposes of this section, reasonable and verifiable evidence includes court, medical, law enforcement, child protective, social services, psychological or other records that establish that the individual has been a victim of domestic violence or sworn statements from persons other than the individual with knowledge of the circumstances affecting the individual.

Sec. A-17. 22 MRSA §4301, sub-§3, as amended by PL 2015, c. 324, §1, is further amended to read:

3. Eligible person. "Eligible person" means a person who is qualified to receive general assistance from a municipality according to standards of eligibility determined by the municipal officers whether or not that person has applied for general assistance. "Eligible person" does not include a person who is a fugitive from justice as defined in Title 15, section 201, subsection 4. ~~Beginning July 1, 2015, in accordance with 8 United States Code, Section 1621(d), "eligible person" means a person who is lawfully present in the United States or who is pursuing a lawful process to apply for immigration relief, except that assistance for such a person may not exceed 24 months. "Eligible person" does not include any alien who is ineligible for assistance under 8 United States Code, Section 1621(a) (2015). The department shall adopt routine technical rules as defined by Title 5, chapter 375, subchapter 2-A to implement this subsection.~~

Sec. A-18. Savings. All savings attributable to implementation of this Part must be directed to the Tax Relief Fund for Maine Residents established in the Maine Revised Statutes, Title 5, section 1518-A.

PART B

Sec. B-1. 5 MRSA §1518-A, sub-§1, as amended by PL 2011, c. 692, §1, is further amended to read:

1. Tax Relief Fund for Maine Residents. There is created the Tax Relief Fund for Maine Residents, referred to in this section as "the fund," which must be used to provide tax relief to residents of the State. The fund consists of all resources transferred to the fund under subsection 4 and section 1536 and other resources made available to the fund. The fund must be used to reduce the individual income tax ~~rates~~ rate to ~~4%~~ 0% pursuant to subsection 1-A.

Sec. B-2. 5 MRSA §1518-A, sub-§1-A, as enacted by PL 2011, c. 692, §1, is amended to read:

1-A. Implementation. By September 1, ~~2014~~ 2017 and annually thereafter, ~~if the State Controller determines that the benefits required under the Circuitbreaker Program under Title 36, chapter 907 have been fully funded,~~ the State Controller shall inform the State Tax Assessor of the amount available in the fund for the purposes of subsection 1.

A. By November ~~1st~~ 1, 2017 and annually thereafter, the State Tax Assessor shall calculate the amount by which the income tax rates under Title 36, section 5111, ~~subsections 1-C, 2-C and 3-C~~ subsections 1-G, 1-H, 1-I, 2-G, 2-H, 2-I, 3-G, 3-H, 3-I and 6 may be reduced during the subsequent tax year using the amount available from the fund. ~~Bracket~~ The rate reductions must be a minimum of ~~0.2~~ 0.1 percentage points ~~in the first year in which reductions are made and a minimum of 0.1 percentage points in subsequent years.~~ If sufficient funds are not available to pay for the minimum reduction, a rate reduction may not be made until the amount in the fund is sufficient to pay for the reduction. ~~When the amount is sufficient to pay for the reduction, the reduction must first be applied equally to each bracket under Title 36, section 5111, subsections 1-C, 2-C and 3-C until the lower bracket reaches 4%.~~ Funds available from the fund in subsequent years must be applied to reduce the ~~higher bracket rates until there is a single bracket with a rate of 4%, after which future tax relief may be identified~~ 0%.

B. The State Tax Assessor shall provide public notice of the ~~new bracket~~ rates calculated under this subsection by November 15th annually.

C. ~~New bracket rates~~ The new rates calculated under this subsection apply beginning with tax years that begin on or after January 1st of the calendar year following the determinations made under this subsection.

Sec. B-3. 30-A MRSA §6054, sub-§5, ¶C, as enacted by PL 2013, c. 269, Pt. B, §2, is amended to read:

C. The remainder to the ~~Maine Budget Stabilization Fund established in section 1532~~ Tax Relief Fund for Maine Residents established in Title 5, section 1518-A.

Sec. B-4. 36 MRSA §5111, sub-§1-F, as enacted by PL 2015, c. 267, Pt. DD, §3, is amended to read:

1-F. Single individuals and married persons filing separate returns; tax years beginning 2017. For tax years beginning on or after January 1, 2017 but before January 1, 2018, for single individuals and married persons filing separate returns:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
Less than \$21,050	5.8% of the Maine taxable income
At least \$21,050 but less than \$50,000	\$1,221 plus 6.75% of the excess over \$21,050
\$50,000 or more	\$3,175 plus 7.15% of the excess over \$50,000

Sec. B-5. 36 MRSA §5111, sub-§§1-G, 1-H and 1-I are enacted to read:

1-G. Single individuals and married persons filing separate returns; tax years beginning 2018. For tax years beginning on or after January 1, 2018 but before January 1, 2019, for single individuals and married persons filing separate returns:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
Less than \$21,050	5.35% of the Maine taxable income
At least \$21,050 but less than \$50,000	\$1,126 plus 6.1% of the excess over \$21,050
\$50,000 or more	\$2,892 plus 6.4% of the excess over \$50,000

1-H. Single individuals and married persons filing separate returns; tax years beginning 2019. For tax years beginning on or after January 1, 2019 but before January 1, 2020, for single individuals and married persons filing separate returns:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
Less than \$21,050	4.9% of the Maine taxable income
At least \$21,050 but less than \$50,000	\$1,031 plus 5.4% of the excess over \$21,050
\$50,000 or more	\$2,594 plus 5.6% of the excess over \$50,000

1-I. Single individuals and married persons filing separate returns; tax years beginning 2020. For tax years beginning on or after January 1, 2020 but before January 1, 2021, for single individuals and married persons filing separate returns:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
Less than \$21,050	4.45% of the Maine taxable income
At least \$21,050 but less than \$50,000	\$937 plus 4.7% of the excess over \$21,050
\$50,000 or more	\$2,298 plus 4.8% of the excess over \$50,000

Sec. B-6. 36 MRSA §5111, sub-§2-F, as enacted by PL 2015, c. 267, Pt. DD, §5, is amended to read:

2-F. Heads of households; tax years beginning 2017. For tax years beginning on or after January 1, 2017 but before January 1, 2018, for unmarried individuals or legally separated individuals who qualify as heads of households:

If Maine taxable income is:	The tax is:
Less than \$31,550	5.8% of the Maine taxable income
At least \$31,550 but less than \$75,000	\$1,830 plus 6.75% of the excess over \$31,550
\$75,000 or more	\$4,763 plus 7.15% of the excess over \$75,000

Sec. B-7. 36 MRSA §5111, sub-§§2-G, 2-H and 2-I are enacted to read:

2-G. Heads of households; tax years beginning 2018. For tax years beginning on or after January 1, 2018 but before January 1, 2019, for unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$31,550</u>	<u>5.35% of the Maine taxable income</u>
<u>At least \$31,550 but less than \$75,000</u>	<u>\$1,688 plus 6.1% of the excess over \$31,550</u>
<u>\$75,000 or more</u>	<u>\$4,338 plus 6.4% of the excess over \$75,000</u>

2-H. Heads of households; tax years beginning 2019. For tax years beginning on or after January 1, 2019 but before January 1, 2020, for unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$31,550</u>	<u>4.9% of the Maine taxable income</u>
<u>At least \$31,550 but less than \$75,000</u>	<u>\$1,546 plus 5.4% of the excess over \$31,550</u>
<u>\$75,000 or more</u>	<u>\$3,892 plus 5.6% of the excess over \$75,000</u>

2-I. Heads of households; tax years beginning 2020. For tax years beginning on or after January 1, 2020 but before January 1, 2021, for unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$31,550</u>	<u>4.45% of the Maine taxable income</u>
<u>At least \$31,550 but less than \$75,000</u>	<u>\$1,404 plus 4.7% of the excess over \$31,550</u>
<u>\$75,000 or more</u>	<u>\$3,446 plus 4.8% of the excess over \$75,000</u>

Sec. B-8. 36 MRSA §5111, sub-§3-F, as enacted by PL 2015, c. 267, Pt. DD, §7, is amended to read:

3-F. Individuals filing married joint returns or surviving spouses; tax years beginning 2017. For tax years beginning on or after January 1, 2017 but before January 1, 2018, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine taxable income is:	The tax is:
Less than \$42,100	5.8% of the Maine taxable income
At least \$42,100 but less than \$100,000	\$2,442 plus 6.75% of the excess over \$42,100
\$100,000 or more	\$6,350 plus 7.15% of the excess over \$100,000

Sec. B-9. 36 MRSA §5111, sub-§§3-G, 3-H and 3-I are enacted to read:

3-G. Individuals filing married joint returns or surviving spouses; tax years beginning 2018. For tax years beginning on or after January 1, 2018 but before January 1, 2019, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine taxable income is:	The tax is:
<u>Less than \$42,100</u>	<u>5.35% of the Maine taxable income</u>
<u>At least \$42,100 but less than \$100,000</u>	<u>\$2,252 plus 6.1% of the excess over \$42,100</u>
<u>\$100,000 or more</u>	<u>\$5,784 plus 6.4% of the excess over \$100,000</u>

3-H. Individuals filing married joint returns or surviving spouses; tax years beginning 2019. For tax years beginning on or after January 1, 2019 but before January 1, 2020, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine taxable income is:	The tax is:
<u>Less than \$42,100</u>	<u>4.9% of the Maine taxable income</u>
<u>At least \$42,100 but less than \$100,000</u>	<u>\$2,063 plus 5.4% of the excess over \$42,100</u>
<u>\$100,000 or more</u>	<u>\$5,190 plus 5.6% of the excess over \$100,000</u>

3-I. Individuals filing married joint returns or surviving spouses; tax years beginning 2020. For tax years beginning on or after January 1, 2020 but before January 1, 2021, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine taxable income is:	The tax is:
<u>Less than \$42,100</u>	<u>4.45% of the Maine taxable income</u>
<u>At least \$42,100 but less than \$100,000</u>	<u>\$1,873 plus 4.7% of the excess over \$42,100</u>
<u>\$100,000 or more</u>	<u>\$4,594 plus 4.8% of the excess over \$100,000</u>

Sec. B-10. 36 MRSA §5111, sub-§§6 and 7 are enacted to read:

6. Tax years beginning 2021. For tax years beginning on or after January 1, 2021, the tax is 4% of the Maine taxable income.

7. Maximum tax. Notwithstanding any other provision of law, the maximum tax under this section may not exceed the highest tax rate applicable for each tax year in subsections 1-F, 1-G, 1-H, 1-I and 6 times Maine taxable income.

Sec. B-11. 36 MRSA §5403, sub-§1, as enacted by PL 2015, c. 267, Pt. DD, §33, is amended to read:

1. Individual income tax rate tables. For the tax rate tables in section 5111:

~~A. Beginning in 2016 and each year thereafter, by the lowest dollar amounts of the tax rate tables specified in section 5111, subsections 1-F, 2-F and 3-F, except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2015; and~~

B. ~~Beginning in~~ In 2017 and each year thereafter, by the highest taxable income dollar ~~amount~~ amounts of each tax rate table specified in section 5111, subsections 1-G, 2-G and 3-G, except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2016;

C. In 2018, by the taxable income dollar amounts of each tax rate table specified in section 5111, subsections 1-H, 2-H and 3-H, except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2016; and

D. In 2019, by the taxable income dollar amounts of each tax rate table specified in section 5111, subsections 1-I, 2-I and 3-I, except that for the purposes of this paragraph, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2016;

SUMMARY

This initiated bill makes changes to the laws governing welfare, gradually lowers the individual income tax until it is 4% in 2021 and dedicates funds to further reduce the individual income tax until it is eliminated.

Part A of the initiated bill makes the following changes to the laws governing welfare.

1. It prohibits the use of an electronic benefits transfer card at a tobacco specialty store or at a business when the transaction is for money transmission to a location abroad.

2. It requires the Department of Health and Human Services to submit a request for a waiver to the United States Department of Agriculture each year to allow the Department of Health and Human Services to limit purchases of food under the food supplement program to foods with high nutritional value and to exclude foods with low nutritional value, such as candy and soda.

3. It prohibits the department from providing food assistance and Temporary Assistance to Needy Families, or TANF, benefits to an alien who is ineligible for assistance under federal law unless the alien is an asylum seeker who is elderly or disabled, who is already receiving food assistance as of July 1, 2015 and who remains otherwise eligible.

4. It requires any adult applicant for or adult recipient of benefits under the TANF program to be screened and possibly physically tested for the unlawful use of drugs. The outcome of testing may result in that person's being denied or losing TANF benefits if subsequent substance use disorder testing or treatment is not successfully completed. It also allows the State to deny food assistance and TANF assistance to a person who has been convicted of a drug-related felony.

5. It provides that, before TANF assistance may be granted to an applicant by the department, the applicant, if job ready as determined by the department, must complete a department-approved program focused on obtaining employment.

6. It prohibits a recipient of benefits under the TANF program from using an electronic benefits transfer card to access those benefits outside of Maine.

7. It prohibits benefits provided under the TANF program from being used for money transmissions to locations abroad or expended on tobacco, imitation liquor, liquor, gambling, lotteries, bail or other court-imposed fees or fines, tattoos and travel services provided by a travel agent.

8. It changes the time period in which applicants may receive alternative aid and eliminates alternative aid to applicants who are not eligible for TANF benefits due to the 60-month time limit on benefits.

9. It removes all the good cause exceptions, other than the good cause exception for victims of domestic violence, that prevent a person from being sanctioned under the Additional Support for People in Retraining and Employment - Temporary Assistance for Needy Families, or ASPIRE-TANF, program or the TANF program for failure to participate in the ASPIRE-TANF program.

10. It removes the provision that provides that in accordance with 8 United States Code, Section 1621(d) a person who is lawfully present in the United States or who is pursuing a lawful process to apply for immigration relief is eligible for general assistance.

It provides that an alien who is ineligible for assistance under 8 United States Code, Section 1621(a) (2015) is not eligible for general assistance.

11. It provides that any savings attributable to implementation of these statutory changes must be directed to the existing Tax Relief Fund for Maine Residents.

Part B of the initiated bill gradually reduces individual income tax rates for all income levels for tax years beginning on or after January 1, 2018 and institutes a 4% tax rate for individuals for tax years beginning on or after January 1, 2021. It includes inflation adjustments to the taxable income amounts contained in the tax rate schedules that apply to tax years beginning in 2019 and 2020. It also amends the laws governing the Tax Relief Fund for Maine Residents to enable the fund to be used to reduce the individual income tax rate to 0% and directs certain funds from the Liquor Operation Revenue Fund be used for this purpose once bonds and obligations secured by that fund have been retired.