

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 864

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S. P. 265

In Senate, March 4, 1975

Referred to Committee on Taxation. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Pray of Penobscot.

Cosponsor: Senator Corson of Somerset.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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**AN ACT Exempting Alcohol and Drug Abuse Centers from Payment of  
State Sales Tax.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the recent rapid increase in inflation has greatly increased the cost of operating nonprofit alcohol and drug abuse centers; and

Whereas, the current heavy costs of operation may force many of these centers to close unless they are relieved in some fashion by the Legislature; and

Whereas, one method of relief may be the granting of an exemption from the sales and use tax in exchange for the benefits provided the people of Maine by these centers; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**36 MRSA § 1760, sub-§ 16, first sentence**, as last repealed and replaced by PL 1971, c. 622, § 126, is amended to read:

Sales to incorporated hospitals, incorporated nonprofit nursing homes licensed by the Department of Health and Welfare, **incorporated nonprofit alcohol and**

drug abuse centers licensed by the Department of Health and Welfare, institutions incorporated as nonprofit corporations for the sole purpose of conducting medical research or for the purpose of establishing and maintaining laboratories for scientific study and investigation in the field of biology or ecology or operating educational television or radio stations, schools and regularly organized churches or houses of religious worship, excepting sales, storage or use in activities which are mainly commercial enterprises;

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

#### FISCAL NOTE

It is estimated that there would be a loss of sales tax revenue of \$8,000 per year if incorporated nonprofit alcoholic and drug abuse centers licensed by the Department of Health and Welfare were exempted from paying the sales and use tax.

There would be no additional administrative costs involved in administering such a measure.

#### STATEMENT OF FACT

The purpose of this bill is to include alcohol and drug abuse centers in the list of institutions exempted from the state sales tax.