

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 743

S. P. 261

In Senate, February 10, 1981

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

MAY M. ROSS, Secretary of the Senate

Presented by Senator Wood of York.

Cosponsors: Senator Brown of Washington and Representative Swazey of Bucksport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Equalize the Tax Burden of Rural Community Health Centers.

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

36 MRSA § 1760, sub-§ 16, first sentence, as last amended by PL 1977, c. 559, is further amended to read:

Sales to incorporated hospitals, incorporated nonprofit nursing homes licensed by the Department of Human Services, incorporated nonprofit home health care agencies certified under Title XVIII of the Social Security Act of 1965 as amended, incorporated nonprofit rural community health centers certified by the department for purposes of reimbursement under the United States Rural Health Clinic Services Act, Public Law 95-210, or its successor, and other incorporated nonprofit rural community health centers engaged in the delivery of comprehensive primary health care, institutions incorporated as nonprofit corporations for the sole purpose of conducting medical research or for the 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 commerical enterprises.

STATEMENT OF FACT

Presently most nonprofit health facilities are exempt from the state sales tax. Rural community health centers which are operated by a hospital or home health agency are allowed to utilize the hospital's or agency's exemption. However, free-standing nonprofit rural community health centers are not exempt from the sales tax. These centers tend to be located in areas which are geographically isolated and economically less well off than the rest of Maine. This bill would exempt those health centers, an estimated 18 in Maine, from the Maine sales tax. This exemption improves their chance of becoming financially viable health facilities serving Maine citizens who otherwise have difficulty obtaining health care services.