

MAINE STATE LEGISLATURE

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1 (EMERGENCY)
2 (After Deadline)
3 SECOND REGULAR SESSION
4

5 ONE HUNDRED AND TWELFTH LEGISLATURE
6

7 Legislative Document

No. 2177

8
9 S.P. 863

In Senate, March 11, 1986

10 Approved for introduction by a majority of the Legislative Council
pursuant to Joint Rule 27.

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

12 JOY J. O'BRIEN, Secretary of the Senate
Presented by Senator Bustin of Kennebec.

13 Cosponsored by Senator Dow of Kennebec and Representative Dellert of
Gardiner.

14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-SIX
18

19 AN ACT to Exempt from Taxation Sales to
20 Persons of Tangible Personal Property
21 to be Used for the Exclusive Purpose
22 of Providing Residential Care and
23 Treatment Facilities for Persons
24 Suffering from Alzheimers Disease or
25 Related Disorders.
26

27 Emergency preamble. Whereas, Acts of the Legis-
28 lature do not become effective until 90 days after
29 adjournment unless enacted as emergencies; and

30 Whereas, the State has encouraged the construc-
31 tion of a residential care and treatment facility for
32 persons suffering from Alzheimers disease; and

33 Whereas, the Kennebec Valley Medical Center has
34 been authorized to construct such a project at its
35 campus in Gardiner, Maine, with a completion date
36 scheduled for October of 1986; and

1 Whereas, since such a facility would advance the
2 interests of citizens of the State by providing a
3 much needed care and treatment facility; and

4 Whereas, under current sales tax law, a sales tax
5 would have to be paid upon equipment and materials to
6 be used to construct and equip the facility, which
7 money would have to be reflected in charges for the
8 use of the facility which the State will pay either
9 directly or indirectly; and

10 Whereas, it is in the best interest of the citi-
11 zens of the State to provide for sales tax exemption
12 for such a facility in order to promote the health of
13 its citizens; and

14 Whereas, in the judgment of the Legislature,
15 these facts create an emergency within the meaning of
16 the Constitution of Maine and require the following
17 legislation as immediately necessary for the preser-
18 vation of the public peace, health and safety; now,
19 therefore,

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

22 36 MRSA §1760, sub-§54 is enacted to read:

23 54. Alzheimers disease, care and treatment fa-
24 cilities. Sales to persons of tangible personal prop-
25 erty to be used for the exclusive purpose of provid-
26 ing residential care and treatment facilities for
27 persons suffering from Alzheimers disease and related
28 disorders.

29 Emergency clause. In view of the emergency cited
30 in the preamble, this Act shall take effect when ap-
31 proved.

1

STATEMENT OF FACT

2 The purpose of this bill is to provide an exemp-
3 tion from the sales tax law for sales to persons who
4 are exclusively engaged in providing treatment and
5 residential care facilities for persons suffering
6 from Alzheimers disease and related disorders. The
7 only facility is in the process of being constructed
8 in Gardiner, Maine.

9 The exemption provides for tax exemption of pur-
10 chases of personal property which will be used to
11 construct and equip the Alzheimers' facility. It is
12 estimated that the first year revenue loss will be
13 \$25,000; this is because of the purchase of materials
14 going into the construction of the facility and
15 equipment to equip the facility. Once construction is
16 completed and the facility is operational, the reve-
17 nue loss will only be approximately \$1,000 each year.
18 Because the facility will be licensed by the State as
19 a boarding facility under the existing sales tax law,
20 sales of meals to persons at the Alzheimers' facility
21 will be exempt from the sales tax. This exemption
22 does not apply to any other sales.

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