

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

(EMERGENCY)
(New Draft of S.P. 863, L.D. 2177)
(New Title)
SECOND REGULAR SESSION

ONE HUNDRED AND TWELFTH LEGISLATURE

Legislative Document

No. 2374

S.P. 947

In Senate, April 11, 1986

Reported by Senator Twitchell of Oxford from the Committee on Taxation and printed under Joint Rule 2. Original bill sponsored by Senator Bustin of Kennebec. Cosponsored by Senator Dow of Kennebec and Representative Dellert of Gardiner.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

AN ACT to Exempt from the Sales Tax
Law Sales to Nonprofit Organizations
Licensed as Boarding Care Facilities
by the Department of Human Services
Whose Exclusive Purpose is the Providing
of Residential Care and Treatment
Facilities for Persons Suffering from
Alzheimers Disease or Related
Disorders.

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

Whereas, the State has encouraged the construction of a residential care and treatment facility for persons suffering from Alzheimers disease; and

1 Whereas, Yankee Healthcare, Inc., an affiliate of
2 Kennebec Valley Medical Center, has been authorized
3 to construct such a project at the medical center's
4 Gardiner division, with a completion date scheduled
5 for October of 1986; and

6 Whereas, since such a facility will advance the
7 interests of citizens of the State by providing a
8 much needed care and treatment facility; and

9 Whereas, under current sales tax law, a sales tax
10 will have to be paid upon equipment and materials to
11 be used to construct and equip the facility, which
12 money will have to be reflected in charges for the
13 use of the facility which the State will pay at least
14 in part through reimbursement for state patients; and

15 Whereas, it is in the best interests of the citi-
16 zens of the State to provide for sales tax exemption
17 for such a facility in order to promote the health of
18 its citizens; and

19 Whereas, in the judgment of the Legislature,
20 these facts create an emergency within the meaning of
21 the Constitution of Maine and require the following
22 legislation as immediately necessary for the preser-
23 vation of the public peace, health and safety; now,
24 therefore,

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

27 Sec. 1. 36 MRSA §1760, sub-§54 is enacted to
28 read:

29 54. Alzheimers disease, care and treatment fa-
30 cilities. Sales to nonprofit organizations licensed
31 as boarding care facilities by the Department of Hu-
32 man Services whose exclusive purpose is the providing
33 of residential care and treatment facilities for per-
34 sons suffering from Alzheimers disease and related
35 disorders.

36 Sec. 2. Allocation. The following funds are al-
37 located from the Local Government Fund to carry out
38 the purposes of this Act.

1

1986-87

2

TREASURER OF STATE,

3

OFFICE OF

4

State-Municipal Revenue Sharing

\$(1,300)

5

6

7

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

8

FISCAL NOTE

9

10

It is estimated that this new draft will result in the following decrease in revenues.

11

1986-87

12

General Fund

\$(24,450)

13

Local Government Fund

\$(1,300)

14

STATEMENT OF FACT

15

16

17

18

19

20

21

22

23

The purpose of this new draft is to provide an exemption from the state sales tax law for sales to nonprofit organizations licensed as boarding care facilities by the Department of Human Services which are exclusively engaged in providing treatment and residential care facilities for persons suffering from Alzheimers disease and related disorders. The only such facility is in the process of being constructed in Gardiner.

24

25

26

27

28

29

30

31

The exemption will provide for tax exemption of purchases of personal property which will be used to construct and equip the Alzheimers facility. It is estimated that the first year revenue loss will be \$25,000. This is because of the purchase of materials going into the construction of the facility and equipment to equip the facility. This one-time loss will occur in fiscal year 1987 rather than the cur-

1 rent fiscal year. Once construction is completed and
2 the facility is operational, the revenue loss will
3 only be approximately \$1,000 each year. The fiscal
4 1987 loss will be approximately \$750 since the facil-
5 ity will only be operated for about 9 months in that
6 fiscal year. Because the facility will be licensed by
7 the State as a boarding facility under the existing
8 sales tax law, sales of meals to persons at the
9 Alzheimers facility will be exempt from the sales
10 tax. This exemption does not apply to any other
11 sales.

12 This new draft makes some clarifying changes,
13 adds an allocation and a fiscal note.

14 7240040986