

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1020

S.P. 384

In Senate, April 3, 1989

Reference to the Committee on Taxation suggested and ordered printed.

Joy J. O'Brien

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator TWITCHELL of Oxford.

Cosponsored by Representative WALKER of Norway and Representative JACKSON of Harrison.

STATE OF MAINE

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

An Act to Clarify Tax Exempt Status of Certain Hospital Affiliates and Nonprofit Ambulance Corporations with Respect to State Sales Tax.



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

3 **Sec. 1. 36 MRSA §1760, sub-§16**, as amended by PL 1987, c. 343,
5 §4, is further amended to read:

7 16. **Hospitals, research centers, churches and schools.**
9 Sales to incorporated hospitals, incorporated nonprofit hospital
11 affiliates organized as charitable, scientific or educational
13 organizations within the meaning of the United States Internal
15 Revenue Code, Section 501(c)(3), and which have been classified
17 by the United States Internal Revenue Service as being a
19 supporting organization within the meaning of the United States
21 Internal Revenue Code, Section 509(a)(3), to such a nonprofit
23 tax-exempt hospital, incorporated nonprofit title holding
25 companies within the meaning of the United States Internal
27 Revenue Code, Section 501(c)(2) or Section 501(c)(25), provided
29 that the articles of incorporation of that organization provide
31 that its net income be distributed to a hospital or a hospital
33 affiliate exempt from sales and use taxation under this
35 subsection, incorporated nonprofit nursing homes licensed by the
37 Department of Human Services, incorporated nonprofit boarding
39 care facilities licensed by the Department of Human Services,
41 incorporated nonprofit home health care agencies certified under
43 the United States Social Security Act of 1965, Title XVIII, as
amended, incorporated nonprofit rural community health centers
engaged in, or providing facilities for, the delivery of
comprehensive primary health care, incorporated nonprofit dental
health centers, 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. "Schools" means incorporated
nonstock educational institutions, including institutions
empowered to confer educational, literary or academic degrees,
which have a regular faculty, curriculum and organized body of
pupils or students in attendance throughout the usual school
year, which keep and furnish to students and others records
required and accepted for entrance to schools of secondary,
collegiate or graduate rank, no part of the net earnings of which
inures to the benefit of any individual.

45 **Sec. 2. 36 MRSA §1760, sub-§26**, as amended by PL 1971, c. 604,
47 is further amended to read:

49 26. **Sales to volunteer fire departments and nonprofit**
51 **ambulance corporations.** Sales to incorporated volunteer fire
departments and to incorporated ~~volunteef~~ nonprofit ambulance
corps.

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STATEMENT OF FACT

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This bill clarifies that certain hospital affiliates and nonprofit ambulance corporations are exempt from state sales tax.