

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

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Legislative Document

No. 1199

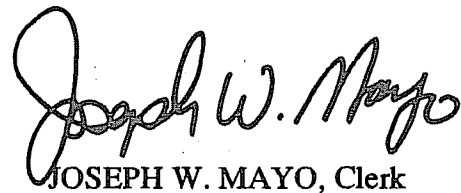
H.P. 885

House of Representatives, April 8, 1993

**An Act to Redefine Nonprofit Status in the Sales and Use Tax Law.**

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative PLOURDE of Biddeford.  
Cosponsored by Representatives: BRUNO of Raymond, CAMERON of Rumford, NADEAU of Saco, VIGUE of Winslow, Senator: BALDACCI of Penobscot.

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

2  
3  
4 Sec. 1. 36 MRSA §1752, sub-§7-C, as enacted by PL 1987, c.  
343, §3, is repealed and the following enacted in its place:

6 7-C. Nonprofit organization. "Nonprofit organization"  
7 means any organization that:

8  
9  
10 A. Has been determined to be exempt from taxation under the  
United States Internal Revenue Code, Section 501(c);

12 B. Is designated a charitable and benevolent organization  
13 under Title 9, section 5003;

14  
15 C. Receives federal and state subsidies to provide services  
16 to citizens of the State;

18 D. Spends not more than 40% of its annual income from all  
19 sources on administrative and overhead expenditures; and

20  
21 E. Provides at least 25% of its services or products  
22 without charge or on a sliding scale to persons or  
23 households that meet the most recently established federal  
24 poverty level.

26  
27  
28 **STATEMENT OF FACT**

30 This bill expands the definition of "nonprofit organization"  
31 under the Sales and Use Tax Law to include charitable  
32 organizations, organizations that receive federal and state  
33 subsidies to provide services to citizens of the State and  
34 organizations that provide at least 25% of their services or  
35 products to certain individuals for no charge or on a sliding  
36 scale and spend no more than 40% of annual income on  
37 administrative and overhead expenses.  
38