

# MAINE STATE LEGISLATURE

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M  
R.S.

L.D. 1594

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4  
DATE: 2/11/2000

(Filing No. S-487 )

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**TAXATION**

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Reported by:

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**STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
SECOND REGULAR SESSION**

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COMMITTEE AMENDMENT "B" to S.P. 532, L.D. 1594, Bill, "An  
Act to Promote Equity Among Health Care Clinics"

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24  
Amend the bill by striking out everything after the enacting  
clause and before the summary and inserting in its place the  
following:

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'Sec. 1. 36 MRSA §1760, sub-§16, as amended by PL 1999, c.  
485, §1, is further amended to read:

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**16. Hospitals, research centers, churches and schools.**  
Sales to incorporated hospitals, incorporated nonprofit nursing  
homes licensed by the Department of Human Services, incorporated  
nonprofit boarding care facilities licensed by the Department of  
Human Services, incorporated nonprofit home health care agencies  
certified under 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, incorporated nonprofit organizations or  
their affiliates whose purpose is to provide literacy assistance  
or free clinical assistance to children with dyslexia and  
regularly organized churches or houses of religious worship,

**COMMITTEE AMENDMENT**

R. 03

2 excepting sales, storage or use in activities that are mainly  
commercial enterprises. "Schools" means incorporated nonstock  
4 educational institutions, including institutions empowered to  
confer educational, literary or academic degrees, that have a  
6 regular faculty, curriculum and organized body of pupils or  
students in attendance throughout the usual school year and that  
8 keep and furnish to students and others records required and  
accepted for entrance to schools of secondary, collegiate or  
10 graduate rank, no part of the net earnings of which inures to the  
benefit of any individual.'

12 Further amend the bill by inserting at the end before the  
summary the following:

16 **FISCAL NOTE**

18 **2000-01**

20 **REVENUES**

22	General Fund	(\$58,802)
	Other Funds	(3,160)

24  
26 The sales and use tax exemption for certain nonprofit health  
clinics will decrease budgeted sales and use tax collections by  
28 \$61,962 in fiscal year 2000-01. The reduction of these tax  
collections will decrease the amounts transferred to the Local  
30 Government Fund for state-municipal revenue sharing in that year  
by \$3,160. The resulting net reduction of General Fund revenue  
will be \$58,802 in fiscal year 2000-01.

32  
34 This estimate does not include one nonprofit health clinic  
that appealed a Bureau of Revenue Services' decision to revoke  
36 its tax exempt status. Although the bureau's decision was  
against the clinic, no revenue from this particular clinic has  
38 been collected to date. Revenue from this particular clinic is  
not included in the sales tax base and, consequently, will not  
40 affect currently budgeted revenue. However, this exemption will  
result in an additional unbudgeted loss of gross sales and use  
tax collections of approximately \$120,000 annually.

42  
44 The Bureau of Revenue Services will incur some minor  
additional costs to implement this sales and use tax exemption  
46 change. These costs can be absorbed within the bureau's existing  
budgeted resources.'

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**COMMITTEE AMENDMENT**

**SUMMARY**

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4 This amendment extends the exemption for rural community health centers to include all incorporated nonprofit health centers. The amendment also adds a fiscal note to the bill.