

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 82

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO SALES TAX; AMENDING SECTION 63-36220, IDAHO CODE, TO PROVIDE A SALES AND USE TAX EXEMPTION FOR SALES TO OR PURCHASES BY FREE MEDICAL CLINICS AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-36220, Idaho Code, be, and the same is hereby amended to read as follows:

63-36220. EXEMPT PRIVATE AND PUBLIC ORGANIZATIONS. (1) There are exempted from the taxes imposed by this chapter:

(a) Sales to or purchases by hospitals, health-related entities, educational institutions, forest protective associations and canal companies ~~which~~ that are nonprofit organizations; and

(b) Donations to, sales to, and purchases by the Idaho Foodbank Warehouse, Inc.; and

(c) Donations to, sales to, and purchases by food banks or soup kitchens of food or other tangible personal property used by food banks or soup kitchens in the growing, storage, preparation or service of food, but not including motor vehicles or trailers; and

(d) Sales of clothes to, donations of clothes to, and purchases of clothes by nonsale clothiers; and

(e) Sales to or purchases by centers for independent living; and

(f) Sales to or purchases by the state of Idaho and its agencies and its political subdivisions; and

(g) Sales to or purchases by volunteer fire departments or licensed emergency medical service agencies; and

(h) Sales to or purchases by a qualifying senior citizen center; and

(i) Sales to or purchases by the Blind Services Foundation, Inc.; and

(j) Donations to, sales to or purchases by the Advocates for Survivors of Domestic Violence and Sexual Assault, Inc., a nonprofit corporation; and

(k) Sales to or purchases by nonprofit organizations offering free dental clinic services to children; and

(l) Admissions to and purchases by museums, as defined in subsection (2) of this section.

(2) As used in this section, these words shall have the following meanings:

(a) "Educational institution" shall mean nonprofit colleges, universities, public charter schools organized pursuant to chapter 52, title 33, Idaho Code, the Idaho digital learning academy established pursuant to chapter 55, title 33, Idaho Code, and other primary and secondary schools, the income of which is devoted solely to education and in which systematic instruction in the usual branches of learning is given. This

1 definition does not include schools primarily teaching business, danc-
2 ing, dramatics, music, cosmetology, writing, gymnastics, exercise and
3 other special accomplishments nor parent-teacher associations, parent
4 groups, alumni or other auxiliary organizations with purposes related
5 to the educational function of an institution or collective group of in-
6 stitutions.

7 (b) "Hospital" shall include nonprofit institutions licensed by the
8 state for the care of ill persons. It shall not extend to nursing homes
9 or similar institutions.

10 (c) "Health-related entities" shall mean free medical clinics as de-
11 defined in section 39-7702, Idaho Code, the Idaho Cystic Fibrosis Foun-
12 dation, Idaho Epilepsy League, Idaho Lung Association, March of Dimes,
13 American Cancer Society, Camp Rainbow Gold, Mental Health Association,
14 The Arc, The Children's Home Society of Idaho, American Heart Associ-
15 ation, Idaho Ronald McDonald House, United Cerebral Palsy, Arthritis
16 Foundation, Muscular Dystrophy Foundation, National Multiple Sclero-
17 sis Society, Rocky Mountain Kidney Association, American Diabetes As-
18 sociation, Easter Seals, Idaho Community Action Agencies, Idaho Pri-
19 mary Care Association and community health centers who are members of
20 the Idaho Primary Care Association, the Idaho Diabetes Youth Programs,
21 Special Olympics Idaho, the Idaho Women's and Children's Alliance, and
22 the Family Services Alliance of Southeast Idaho, together with said en-
23 tities' local or regional chapters or divisions.

24 (d) "Canal companies" shall include nonprofit corporations ~~which~~ that
25 are incorporated solely for the purpose of operating and maintaining
26 and are engaged solely in operation and maintenance of dams, reser-
27 voirs, canals, lateral and drainage ditches, pumps or pumping plants.

28 (e) "Forest protective associations" shall mean associations whose
29 purpose is the furnishing, operating and maintaining of a protective
30 system for the detection, prevention and suppression of forest or range
31 fires. Forest protective associations shall include only those associ-
32 ations with which the state of Idaho has contracted or become a member of
33 pursuant to chapter 1, title 38, Idaho Code.

34 (f) "Food banks or soup kitchens" shall mean any nonprofit corporation
35 or association, other than the Idaho Foodbank Warehouse, Inc., one of
36 whose regular activities is the furnishing or providing of food or food
37 products to others without charge.

38 (g) "Nonsale clothier" shall mean any nonprofit corporation or associ-
39 ation, one of whose primary purposes is the furnishing or providing of
40 clothes to others without charge.

41 (h) "Clothes" shall mean garments in general, designed or intended to
42 be worn by humans and shall include footwear in addition to wearing ap-
43 parel.

44 (i) "Center for independent living" shall mean a private, nonprofit,
45 nonresidential organization in which at least fifty-one percent (51%)
46 of the principal governing board, management and staff are individuals
47 with disabilities and that:

48 (i) Is designed and operated within a local community by individ-
49 uals with disabilities;

- 1 (ii) Provides an array of independent living services and pro-
 2 grams; and
 3 (iii) Is cross-disability.
- 4 (j) "Political subdivision" means:
 5 (i) A governmental organization ~~which that~~:
 6 1. Embraces a certain territory~~;~~
 7 2. Is organized for public advantage and not in the interest
 8 of private individuals or classes~~;~~
 9 3. Has been delegated functions of government~~;~~ and
 10 4. Has the statutory power to levy taxes; or
 11 (ii) A public health district created by section 39-408, Idaho
 12 Code; or
 13 (iii) A soil conservation district as defined in section 22-2717,
 14 Idaho Code; or
 15 (iv) A drainage district created pursuant to chapter 29, title
 16 42, Idaho Code; or
 17 (v) An irrigation district created pursuant to title 43, Idaho
 18 Code; or
 19 (vi) A state grazing board created by section 57-1204, Idaho
 20 Code; or
 21 (vii) A water measurement district created pursuant to section
 22 42-705 or 42-706, Idaho Code; or
 23 (viii) A ground water management district created pursuant to
 24 chapter 51, title 42, Idaho Code.
- 25 (k) "Agency of the state of Idaho" shall mean an office or organization
 26 created by the constitution or statutes of this state and constituting a
 27 component part of the executive, judicial or legislative branch of the
 28 government of this state.
- 29 (l) "Volunteer fire department" means an entity exempt from federal
 30 income taxation pursuant to section 501(c)(3) of the Internal Revenue
 31 Code and which primarily provides fire protection or fire prevention on
 32 a not-for-profit basis to surrounding residents.
- 33 (m) "Licensed emergency medical service agency" means an emergency
 34 medical service (EMS) licensed by the EMS bureau of the department of
 35 health and welfare and which is exempt from federal income taxation
 36 pursuant to section 501(c)(3) of the Internal Revenue Code and which
 37 provides emergency medical services on a not-for-profit basis to sur-
 38 rounding residents.
- 39 (n) "Qualifying senior citizen center" means an entity exempt from
 40 income tax pursuant to section 501(c)(3) of the Internal Revenue Code
 41 and which is a community facility for the organization and provision of
 42 a broad spectrum of services, which shall include provision of health,
 43 including mental health, social, nutritional, and educational ser-
 44 vices, and the provision of facilities for recreational activities for
 45 older individuals.
- 46 (o) "Museum" means a public institution or an entity exempt from income
 47 tax pursuant to section 501(c)(3) of the Internal Revenue Code, ~~which~~
 48 that stores, preserves and exhibits objects of art, history, science or
 49 other objects of historical, educational or cultural value on a perma-

1 nent basis in a building, portion of a building or outdoor location, and
2 which provides museum services to the public on a regular basis.

3 (3) The exemption granted by subsection (1) (f) of this section does not
4 include any association or other organization whose members are political
5 subdivisions or state agencies unless the organization is expressly created
6 under the joint powers provision of sections 67-2328 through 67-2333, Idaho
7 Code.

8 (4) The exemptions granted by subsection (1) of this section do not in-
9 clude the use of tangible personal property by a contractor used to improve
10 real property of an exempt entity when such use is within the definition pro-
11 vided by section 63-3615(b), Idaho Code, whether the use tax liability is in-
12 cluded in a contract total or stated separately in a contract.

13 (5) There is exempted from the taxes imposed in this chapter the renting
14 of a place to sleep to an individual by the Idaho Ronald McDonald House.