

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 62

BY PACKER

AN ACT

RELATING TO SALES TAX EXEMPTIONS; AMENDING SECTION 63-36220, IDAHO CODE, TO
REVISE THE DEFINITION OF "HEALTH-RELATED ENTITIES."

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 ex-
empted from the taxes imposed by this chapter:

(a) Sales to or purchases by hospitals, health-related entities, edu-
cational institutions, forest protective associations and canal compa-
nies which are nonprofit organizations; and

(b) Donations to, sales to, and purchases by the Idaho Foodbank Ware-
house, 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 den-
tal 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 mean-
ings:

(a) "Educational institution" shall mean nonprofit colleges, univer-
sities, 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
definition does not include schools primarily teaching business, danc-

1 ing, dramatics, music, cosmetology, writing, gymnastics, exercise and
2 other special accomplishments nor parent-teacher associations, parent
3 groups, alumni or other auxiliary organizations with purposes related
4 to the educational function of an institution or collective group of in-
5 stitutions.

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

9 (c) "Health-related entities" shall mean the Idaho Cystic Fibrosis
10 Foundation, Idaho Epilepsy League, Idaho Lung Association, March of
11 Dimes, American Cancer Society, Mental Health Association, The Arc, The
12 Children's Home Society of Idaho, American Heart Association, Idaho
13 Ronald McDonald House, United Cerebral Palsy, Arthritis Foundation,
14 Muscular Dystrophy Foundation, National Multiple Sclerosis Society,
15 Rocky Mountain Kidney Association, American Diabetes Association,
16 Easter Seals, Idaho Community Action Agencies, Idaho Primary Care As-
17 sociation and community health centers who are members of the Idaho
18 Primary Care Association, the Idaho Diabetes Youth Programs, Special
19 Olympics Idaho, the Idaho Women's and Children's Alliance, and the Fam-
20 ily Services Alliance of Southeast Idaho, together with said entities'
21 local or regional chapters or divisions.

22 For purposes of this paragraph, "health-related entities" shall
23 also include any pregnancy resource clinic that is exempt from federal
24 income taxation pursuant to section 501(c)(3) of the Internal Revenue
25 Code, operates under the supervision of a licensed physician and does
26 not perform the termination of a pregnancy.

27 (d) "Canal companies" shall include nonprofit corporations which are
28 incorporated solely for the purpose of operating and maintaining and
29 are engaged solely in operation and maintenance of dams, reservoirs,
30 canals, lateral and drainage ditches, pumps or pumping plants.

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

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

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

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

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

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

1 other objects of historical, educational or cultural value on a perma-
2 nent basis in a building, portion of a building or outdoor location and
3 which provides museum services to the public on a regular basis.

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

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

14 (5) There is exempted from the taxes imposed in this chapter, the rent-
15 ing of a place to sleep to an individual by the Idaho Ronald McDonald House.