

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 531

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO SALES TAX EXEMPTIONS; AMENDING SECTION 63-36220, IDAHO CODE, TO  
ADD CAMP RAINBOW GOLD TO THE DEFINITION OF HEALTH-RELATED ENTITIES AND  
TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY.

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

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

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

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

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

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

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

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

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

49 (ii) Provides an array of independent living services and pro-  
50 grams; and

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

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

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

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

13           SECTION 2. An emergency existing therefor, which emergency is hereby  
14 declared to exist, this act shall be in full force and effect on and after its  
15 passage and approval.