

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 513

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO SALES TAX; AMENDING SECTION 63-36220, IDAHO CODE, TO EXEMPT FROM
2 THE SALES AND USE TAX SALES TO OR PURCHASES BY THE IDAHO ASSOCIATION OF
3 FREE AND CHARITABLE CLINICS AND ITS MEMBER CLINICS AND TO MAKE TECHNICAL
4 CORRECTIONS.
5

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

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

9 63-36220. EXEMPT PRIVATE AND PUBLIC ORGANIZATIONS. (1) There are ex-
10 empted from the taxes imposed by this chapter:

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

14 (b) Donations to, sales to, and purchases by the Idaho Foodbank Ware-
15 house, Inc.; and

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

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

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

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

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

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

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

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

32 (k) Sales to or purchases by nonprofit organizations offering free den-
33 tal clinic services to children; and

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

36 (2) As used in this section, these words shall have the following mean-
37 ings:

38 (a) "Educational institution" shall mean nonprofit colleges, univer-
39 sities, public charter schools organized pursuant to chapter 52, title
40 33, Idaho Code, the Idaho digital learning academy established pursuant
41 to chapter 55, title 33, Idaho Code, and other primary and secondary
42 schools, the income of which is devoted solely to education and in which

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

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

11 (c) "Health-related entities" shall mean the Idaho Cystic Fibrosis
12 Foundation, Idaho Epilepsy League, Idaho Lung Association, March of
13 Dimes, American Cancer Society, Camp Rainbow Gold, Mental Health As-
14 sociation, The Arc, The Children's Home Society of Idaho, American
15 Heart Association, Idaho Ronald McDonald House, United Cerebral Palsy,
16 Arthritis Foundation, Muscular Dystrophy Foundation, National Mul-
17 tiple Sclerosis Society, Rocky Mountain Kidney Association, American
18 Diabetes Association, Easter Seals, Idaho Community Action Agencies,
19 Idaho Primary Care Association and community health centers ~~who~~ that
20 are members of the Idaho Primary Care Association, the Idaho Associa-
21 tion of Free and Charitable Clinics and its member clinics, the Idaho
22 Diabetes Youth Programs, Special Olympics Idaho, the Idaho Women's
23 and Children's Alliance, and the Family Services Alliance of Southeast
24 Idaho, together with said entities' local or regional chapters or divi-
25 sions.

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

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

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

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

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

46 (i) "Center for independent living" shall mean a private, nonprofit,
47 nonresidential organization in which at least fifty-one percent (51%)
48 of the principal governing board, management and staff are individuals
49 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~~ that:
- 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 on
34 a not-for-profit basis to surrounding residents.
- 35 (m) "Licensed emergency medical service agency" means an emergency
36 medical service (EMS) licensed by the EMS bureau of the department of
37 health and welfare and which is exempt from federal income taxation
38 pursuant to section 501(c)(3) of the Internal Revenue Code and which
39 provides emergency medical services on a not-for-profit basis to sur-
40 rounding 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 renting
15 of a place to sleep to an individual by the Idaho Ronald McDonald House.