

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1659
Version: As introduced

DATE: April 8, 2013

Authors: Fritz

Subject: Sales tax exemption for nursing homes and boarding care homes

Analyst: Pat Dalton 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/hrd.htm.

Overview

Provides a sales tax exemption on most purchases by nonprofit licensed nursing homes and certified boarding care homes equivalent to the existing exemption for nursing homes operated by political subdivisions. Most, but not all, of these entities already qualify for a similar exemption as an entity organized and operated for charitable purposes.

Section

1 Nursing homes and boarding care homes. Provides a sales tax exemption for most purchases by a nursing home or a boarding care facility. To qualify:

- the nursing home must be licensed by the state, and the boarding care home must be certified as a nursing facility under federal law;
- be an exempt 501(c)(3) entity; and
- either be certified to participate in the medical assistance program or certify to the commissioner of revenue that it does not discharge residents due to inability to inability to pay.

The exemption does not apply to the following purchases:

- construction materials purchased as part of a lump sum contract or used in constructing facilities that will not be primarily used by the nursing home or boarding care facility;

Section

- Lodging;
- Prepared food, soft drinks, candy, and alcoholic beverages; and
- Leased vehicles, except those leased and used to transport residents and property of the facility.

Effective for sales made after June 30, 2013.