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HOUSE PRINCIPAL CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H **D**

HOUSE DRH30441-MCx-177 (04/01)

Short Title:	Eliminate Continuing Care Prop. Tax Exemption.	(Public)
Sponsors:	Representative Ramsey.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE THE PROPERTY TAX BENEFIT FOR QUALIFIED RETIREMENT FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-278.6A is repealed.

SECTION 2. G.S. 105-164.14(b) reads as rewritten:

"(b) Nonprofit Entities and Hospital Drugs. – A nonprofit entity is allowed a semiannual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary service, for use in carrying on the work of the nonprofit entity. Sales and use tax liability indirectly incurred by a nonprofit entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the nonprofit entity and is being erected, altered, or repaired for use by the nonprofit entity for carrying on its nonprofit activities is considered a sales or use tax liability incurred on direct purchases by the nonprofit entity. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund for the first six months of a calendar year is due the following October 15; a request for a refund for the second six months of a calendar year is due the following April 15.

The refunds allowed under this subsection do not apply to an entity that is owned and controlled by the United States or to an entity that is owned or controlled by the State and is not listed in this subsection. A hospital that is not listed in this subsection is allowed a semiannual refund of sales and use taxes paid by it on medicines and drugs purchased for use in carrying out its work. The following nonprofit entities are allowed a refund under this subsection:

…

(4) ~~Qualified retirement facilities whose property is excluded from property tax under G.S. 105-278.6A.~~A retirement facility licensed under Article 64 of Chapter 58 of the General Statutes and designed for elderly residents if the facility meets all of the following conditions:

a. It includes independent living units for elderly residents.

b. It includes a skilled nursing facility or an adult care facility.

c. It is exempt from tax under Article 4 of this Chapter and private shareholders do not benefit from its operations.

d. All of its revenues, less operating and capital expenses, are applied to providing uncompensated goods and services to the elderly and to the local community or are applied to an endowment or a reserve for these purposes.

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e. Its charter provides that, in the event of dissolution, its assets will revert or be conveyed to an entity that is organized exclusively for charitable, educational, scientific, or religious purposes and is an exempt organization under section 501(c)(3) of the Code.

f. It has an active program to generate funds through one or more sources, such as gifts, grants, trusts, devises, endowment, or an annual giving program, to assist the retirement facility in serving persons who might not be able to reside there without financial assistance or subsidy.

g. The facility serves all residents without regard to the residents' ability to pay or at least five percent (5%) of the facility's resident revenue for the financial reporting period is provided in one or both of the activities listed in this sub-subdivision. For purposes of this subdivision, "unreimbursed costs" means the costs a facility incurs for providing one of the activities listed in this sub-subdivision after subtracting payment or reimbursement received from any source for the activity and includes costs paid from funds generated by a program described in sub-subdivision f. of this subdivision.

1. The unreimbursed costs to the facility of providing health care, housing, or other services to a resident who is uninsured, underinsured, or otherwise unable to pay for all or part of the services rendered.
2. The unreimbursed costs to the facility of providing services, including health, recreation, community research, and education activities provided to the community at large, including the elderly; charitable donations; donated volunteer services; donations and voluntary payments to government agencies; or any combination thereof.

…."

SECTION 3. This act is effective for taxes imposed for taxable years beginning on or after July 1, 2013.