

House Bill 1351
Testimony of David Richter
House Finance and Taxation Committee
January 25, 2021

Chairman Headland members of the community for the record my name is David Richter representative District 1 Williston

HB 1351 creates state sales tax exemption status for Senior Citizen organizations that provide informational, health, welfare, counseling, and referral services for senior citizens.

Subsections a, b, and c layout the requirements to qualify for the exemption. Subsection a Must be a 501 c 3, Subsection b must be recognized by the North Dakota Secretary of State as a charitable organization. Subsection c must either provide services through ND Ageing Services or receive funds through the Department of Transportation under the federal transit administration's enhanced mobility of seniors and individuals with disabilities program

The organizations that would qualify under this change receive most of their funding from federal, state, county mill levy and donations. So a large majority of their funding is from tax dollars.

These organizations work with ND Aging services and ND DOT and all of them are members of the North Dakota Senior Service Providers network. Some have Supplemental Senior Services funded by state or federal dollars and provide Meals on Wheels program to seniors across the state. Some of the organizations are already exempt from ND sales tax others are not.

In 1977 the legislature NDCC 57-39.2-04 item #29 “Gross receipts from all sales otherwise taxable under this chapter when made to any nonprofit organization for meals, including the containers, packages, and materials used for wrapping food items, for delivery to persons who are confined to their homes by illness or incapacity, including senior citizens and disabled persons, for consumption by such shut-ins in their homes.”

Again, some of the organizations are getting this exemption some of them are not. In conversation with Oliver Packaging, which is one of the largest suppliers, at one time they excepted a letter from the ND Secretary of State, but now they require a tax exempt number .

There is a Fiscal Note

I will stand for any questions