

2023 HOUSE FINANCE AND TAXATION

HB 1498

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1498
1/30/2023

A bill relating to a sales and use tax exemption for certain sales made to senior citizen organizations.
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Chairman Headland opened the hearing at 9:53AM.

Members present: Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVillie, and Representative Ista. Members absent: none.

Discussion Topics:

- Sales tax for nonprofit organizations
- Aging Services and Medicaid Divisions

Representative Dockter verbally introduced bill in support.

Lynn Grimm, Chief Executive Officer with Northland PACE Program, testified in support (#17532).

Shannon Fleischer, Associative Director of Tax Administration with the North Dakota Tax Department, answered questions from the committee.

Chairman Headland closed the hearing at 10:01AM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1498
1/30/2023

A bill relating to a sales and use tax exemption for certain sales made to senior citizen organizations.

Chairman Headland opened the meeting at 3:17PM.

Members present: Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. No members absent.

Discussion Topics:

- Committee vote

Shannon Fleischer, North Dakota Tax Department, answered questions from the committee.

Representative Bosch moved a Do Pass.

Representative Steiner seconded the motion.

Roll call vote:

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Jim Grueneich	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	AB
Representative Mike Motschenbacher	Y
Representative Jeremy Olson	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y

Motion carried 13-0-1

Representative Steiner is the bill carrier.

House Finance and Taxation Committee
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Chairman Headland adjourned at 3:20PM.

Mary Brucker, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1498: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1498 was placed on the Eleventh order on the calendar.

2023 SENATE FINANCE AND TAXATION

HB 1498

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1498
3/6/2023

Relating to a sales and use tax exemption for certain sales made to senior citizen organizations; and to provide an effective date.

9:15 AM Chairman Kannianen opened hearing.

Senators Present: **Kannianen, Weber, Patten, Rummel, Piepkorn.**

Senators Absent: **Magrum**

Discussion Topics:

- Exemption eligibility

9:15 AM Representative Dockter introduced bill.

9:17 AM Lynn Grimm, CEO for Northland PACE Senior Care Services, testified verbally in favor. #21331

9:21 AM Chairman Kannianen adjourned hearing.

Nathan Liesen, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1498
3/8/2023

Relating to a sales and use tax exemption for certain sales made to senior citizen organizations.

11:53 AM Chairman Kannianen opened the meeting.

Senators Present: **Kannianen, Weber, Patten, Rummel, Magrum.**

Senators Absent: Piepkorn.

Discussion Topics:

- Committee Action

11:53 AM Senator Weber moved DO Not Pass.

11:53 AM Senator Piepkorn seconded.

Roll call vote.

Senators	Vote
Senator Jordan Kannianen	Y
Senator Mark F. Weber	Y
Senator Jeffery J. Magrum	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Dean Rummel	Y

Passed 6-0-0

Senator Piepkorn will carry the bill.

11:53 AM Chairman Kannianen closed the bill.

Nathan Liesen, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1498: Finance and Taxation Committee (Sen. Kannianen, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1498 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

TESTIMONY

HB 1498

Chairman Craig Headland

House Finance and Taxation Committee

House Bill 1498

Monday January 30, 2023

10:00 AM CST, Room 327E

IN SUPPORT

Good morning Chairman Headland and members of the House Finance and Taxation Committee. My name is Lynn Grimm, CEO of Northland PACE. I am here to testify in support of House Bill 1498 as presented.

I am in support of House Bill 1498, allowing sales tax exemption for entities who provide services through a contract with the Department of Health and Human Services as PACE.

PACE does not qualify for sales tax exemption based on how the law is written. Currently, contracts with NDDHS that qualify for sales tax exemption have to be held in the Aging Services Division. PACE contracts are held in the Medicaid Division of NDDHS which does not qualify for the exemption.

PACE has previously been denied sales tax exemption through the application process, as the program does not qualify due to the division of NDDHS the contract is held. Although PACE is unable to "check a box" as to the type of organization, the services provided by PACE are very similar to entities that already qualify for sales tax exemption including Skilled Nursing, Basic Care and Assisted Living Facilities. The difference between PACE and these entities is that PACE provides services while participants still live independently in the community.

PACE primarily serves the Medicare/Medicaid population who are qualified for Skilled Nursing Home placement. PACE has the primary responsibility of keeping these low income frail seniors living in their homes as long as possible.

I am in support of House Bill 1498 allowing PACE to qualify for sales tax exemption as the Medicare/Medicaid funds received should be infused into the healthcare needs of the frail elderly the program serves.

Respectfully,

Lynn M .Grimm, CEO

Northland PACE Program
2223 East Rosser Avenue
Bismarck, ND 58501
(701) 250-0709
lgrimm@northlandhealth.com



October 17, 2022

Ref: L1268832384

NORTHLAND PACE
2223 E ROSSER AVE
BISMARCK ND 58501-4949

RE: Application For North Dakota Sales Tax Exemption Certificate

Thank you for your recent application for a sales tax exemption certificate for NORTHLAND PACE. North Dakota Century Code 57-39.2-04(60) references those entities eligible to obtain a sales tax exemption certificate. Your application does not meet all the required conditions and a North Dakota Sales Tax Exemption Certificate has been denied for your organization.

Below are the reasons the application was not approved for your organization.

Your organization is not recognized as a charitable organization by the North Dakota Secretary of State or designation certificate has expired.

Your organization does not provide services through the Aging Services Division of the North Dakota Department of Human Services, or your contract is expired.

Must meet all three requirements in order to qualify.

Any questions or any additional information that could affect this decision, please call 701-328-1246 or email salestax@nd.gov.

Ron Webb
Supervisor, Sales and Special Tax Compliance Section
Phone: 701-328-3599
Email: rwebb@nd.gov



APPLICATION FOR SALES TAX EXEMPTION CERTIFICATE
 OFFICE OF STATE TAX COMMISSIONER
 SFN 21919 (6-2021)

See the *Exempt Organization* guideline for more detail about organizations that qualify for a sales tax exemption on purchase transactions.

This application should be filed only by federal, state, local or tribal governments; federal corporations; schools; hospitals, nursing homes, intermediate care facilities, basic care facilities, residential end-of-life facilities, and emergency medical service providers licensed by the State Department of Health; voluntary health associations recognized by the National Health Council; and assisted living facilities licensed by the Department of Human Services; and certain senior citizen organizations.

Organization Name Northland PACE Program			Federal Employee Identification Number 26-1689193
Email Address lgrimm@northlandhealth.com			Telephone Number (701)751-3050
Street Address 2223 East Rosser Avenue	City Bismarck	State ND	ZIP Code 58501
Mailing Address 2223 East Rosser Avenue	City Bismarck	State ND	ZIP Code 58501

Type of organization (Fill one)

Federal Government
 State
 County or Township
 City
 Native American Tribal Governments
 Public or Private School, College or University
 Voluntary Health Association
 Intermediate Care Facility (North Dakota Department of Health license number _____)
 Assisted Living Facility (North Dakota Human Services license number _____)
 Basic Care Facility (North Dakota Department of Health license number _____)
 Emergency Medical Services Provider (North Dakota Department of Health license number _____)
 Hospital (North Dakota Department of Health license number _____)
 Skilled Nursing Facility (North Dakota Department of Health license number _____)
 Residential End-of-Life Facility (North Dakota Department of Health license number _____)
 Senior Citizen Organization, include the following documentation:
 1. Proof of 501(c)(3) status designated by IRS;
 2. Proof of North Dakota Secretary of State Charitable Organization designation;
 3. Proof of one (1) of the following: a) Contract with North Dakota Department of Human Services to provide services through Aging Services Division; OR, b) Proof of receiving grant funds through the North Dakota Department of Transportation.

Provide explanation of primary function of organization: See Attached Program Description

Does the organization hold a sales and use tax permit? Yes No

Does the organization make any retail sales? Yes No

Authorized Purchasing Agent Lynn M. Grimm	Title CEO	Telephone number 701-751-3050
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I certify that the above statements are correct to the best of my knowledge and belief and that I am authorized to sign this application.

Signature 	Title CEO
Print Name Lynn M. Grimm	Date 9/21/2022

Important: The Certificate of Exemption, if granted, applies to purchases only. It does not apply to the sale of tangible personal property. As soon as your application is approved, a Certificate will be mailed. This certificate must be retained by you and a copy of your certificate must be furnished to all suppliers or retailers at the time of purchase.

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Telephone number: 701-328-1246
 Fax number: 701-328-0336

Email: salestax@nd.gov
 Website: www.nd.gov/tax

Chairman Jessica Bell

Senate Finance and Taxation Committee

House Bill 1498

Wednesday March 01, 2023

9:30 AM CST, Room Fort Totten

IN SUPPORT

Good morning Chairman Bell and members of the Senate Finance and Taxation Committee. My name is Lynn Grimm, CEO of Northland PACE. I am here to testify in support of House Bill 1498 as presented.

I am in support of House Bill 1498, allowing sales tax exemption for entities who provide services through a contract with the Department of Health and Human Services as PACE.

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Respectfully,

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STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
BRIAN KROSHUS, COMMISSIONER

October 17, 2022

Ref: L1268832384

NORTHLAND PACE
2223 E ROSSER AVE
BISMARCK ND 58501-4949

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Must meet all three requirements in order to qualify.

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Street Address 2223 East Rosser Avenue		City Bismarck	State ND	ZIP Code 58501
Mailing Address 2223 East Rosser Avenue		City Bismarck	State ND	ZIP Code 58501
Type of organization (<i>Fill one</i>)				
<input type="radio"/> Federal Government <input type="radio"/> State <input type="radio"/> County or Township <input type="radio"/> City <input type="radio"/> Native American Tribal Governments <input type="radio"/> Public or Private School, College or University <input type="radio"/> Voluntary Health Association <input type="radio"/> Intermediate Care Facility (North Dakota Department of Health license number _____) <input type="radio"/> Assisted Living Facility (North Dakota Human Services license number _____) <input type="radio"/> Basic Care Facility (North Dakota Department of Health license number _____) <input type="radio"/> Emergency Medical Services Provider (North Dakota Department of Health license number _____) <input type="radio"/> Hospital (North Dakota Department of Health license number _____) <input type="radio"/> Skilled Nursing Facility (North Dakota Department of Health license number _____) <input type="radio"/> Residential End-of-Life Facility (North Dakota Department of Health license number _____) <input checked="" type="radio"/> Senior Citizen Organization, include the following documentation: 1. Proof of 501(c)(3) status designated by IRS; 2. Proof of North Dakota Secretary of State Charitable Organization designation; 3. Proof of one (1) of the following: a) Contract with North Dakota Department of Human Services to provide services through Aging Services Division; OR, b) Proof of receiving grant funds through the North Dakota Department of Transportation.				
Provide explanation of primary function of organization <u>4. See Attached Program Description</u>				

Does the organization hold a sales and use tax permit? Yes No

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