

Nonprofit Tax Review Task Force
November 15, 2013
Room 127 State House – Taxation Committee Room

AGENDA

1:00 p.m. Overview

- ◆ Review and Acceptance of 10/30/13 Meeting Minutes
- ◆ Information Requested at 10/30/13 Meeting
 - Constitutional Provisions on Taxation of Real & Personal Property
 - Examples of PILOTs and Agreements Between Nonprofits and Municipalities in Maine

1:45 p.m. Information from IRS 990 Returns Filed from Maine

2:00 p.m. Section AA-4 Duties

- ◆ “...evaluate the feasibility and desirability of identifying parameters and a process for imposing a temporary assessment on certain nonprofit organizations....” “(5) A process to transfer the assessment revenue to municipalities.”
 - Does the committee want to recommend a temporary state level tax or a longer term state level tax?
 - If temporary, is its purpose to transition to a permanent municipal level levy, or is (5) referring to a state level program (e.g. revenue sharing) to transfer the temporary assessment revenue to municipalities?
- ◆ “(2) A Value Basis for the assessment that includes all land, buildings and equipment held by certain nonprofit organizations.”
 - Is this the tax base (real and personal property) the task force would like to pursue?
 - Is there another tax base the task force would like to consider?
 - How does choice of tax base mesh with temporary vs. permanent answer?
 - How does choice of tax base mesh with transition to municipal level answer?
- ◆ “(1) An identification of certain nonprofit organizations on which the assessment will be imposed.”
 - Define term “nonprofit organizations” to be used for the tax
 - Should certain types of nonprofits be exempted from the tax?
 - Should there be filing thresholds based on assets, revenues, expenses or net income?
 - Assessment on Maine nonprofits only?
 - Depending on tax base, how do we apportion base to Maine?
- ◆ “(3) A method for calculating the amount of the assessment to be imposed on certain nonprofit organizations that includes a mechanism to provide adjustments for nonprofit organizations with fixed assets that are disproportionate to the size of the nonprofit organization’s operating budget.”
 - Utilize the federal 990 form or develop state return that requires original data?
- ◆ “(4) A method for crediting against the temporary assessment any PILOT that is being paid by a nonprofit organization.”
 - Define what agreements/payments qualify as a “PILOT”

3:45 p.m. Agenda for Next Meeting