



Hundredth Legislature - First Session - 2007  
**Introducer's Statement of Intent**  
**LB 575**

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**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** February 23, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

This bill would exempt non-profit licensed assisted living facilities from paying sales tax on their purchases. Of the 258 licensed assisted living facilities in Nebraska, some 55 are owned by private not-for-profit corporations...most of them church based. The 34 licensed facilities which are publicly owned are already exempt from paying sales tax by virtue of the exemption granted governmental sub-divisions.

Under the present statute, nursing homes and “intermediate care facilities” are among those entities exempted from paying sales tax. The fact is that, except for ICF-MR facilities...which are already exempt...there has not been a licensed intermediate care facility in Nebraska since the early nineties, when the various levels of nursing home care were for Medicaid and licensure purposes, collapsed into “nursing facilities.”

In our present array of care and services, assisted living facilities, which Nebraska began to license some half-dozen years ago, have replaced intermediate care facilities in providing care and housing for those residents, who do not require nursing home care but nevertheless require a more protected environment than is available in their own home. Under a state administered grant program, facilities have in the past decade converted hundreds of nursing home beds to assisted living units, thus saving the state significant Medicaid expenditures while providing to seniors a more independent environment with greater privacy and normalcy than is available in a nursing home setting.

**Principal Introducer:** \_\_\_\_\_  
**Senator Lowen Kruse**