

## **Legislative Update**     August 2020 from *Sindy Barker*

In June, the General Assembly set an adjournment date of July 11 with lawmakers set to come back into session on September 2. The issue of the sales tax on CCRCs remained in the Rules Committee, and there is a sense that it will be assigned to a study committee this fall. This will enable LeadingAge and NorCCRA to better educate legislators on the operations of non-profit CCRCs.

On July 23, a joint letter from Wayne Campbell, President of NorCCRA and Lee Syria, Chair of Leading Age was sent to Governor Roy Cooper asking him to “instruct the Department of Revenue to pause pending and planned audits of CCRCs until the General Assembly’s Revenue Laws Study Committee can complete its scheduled review, and the General Assembly can formulate an informed policy-based response regarding the proper means of imposing sales tax on these facilities.”

It further goes on to state “our residents are on a fixed income and most likely have experienced a significant decrease in their savings (due to COVID-19) so this is not the time to surprise them with a new tax of approximately 7% that is based solely on a new interpretation by the Department of Revenue classifying CCRCs as retailers as opposed to health care and housing service providers.”

We are again in a period of behind the scenes negotiations which we hope will become clearer as we move into the fall. Sorry, to not be more definitive at this time.