



February 22, 2024

Kelly Martin, Deputy Director, **Maine Cancer Foundation**

SUPPORTING *the blanket sales tax exemption for 501(c)(3) nonprofits, as written in Part H of the Governor's Proposed 2024-2025 Supplemental Budget (LD 2214)*

Good afternoon, Senator Rotundo, Senator Grohoski, Representative Sachs, Representative Perry, and members of the Appropriations and Financial Affairs and Taxation Committees. My name is Kelly Martin and I am the Deputy Director of Maine Cancer Foundation (MCF), a nonprofit grantmaking organization that has been fighting cancer across Maine for nearly 50 years. I am here today because MCF is one of the nonprofits that is required to pay sales and use tax on the goods and services purchased to support our mission. We believe that a blanket sales tax exemption for all 501(c)(3) nonprofits will not only simplify the administration of the tax for nonprofits, businesses, and the State, it will provide the opportunity for all nonprofits to do more for the missions that they serve.

Who We Are

MCF leads a statewide effort to foster and grow the most promising and effective cancer-fighting efforts available to the people of Maine through a combination of grant-based financial support and coalition building. We know that 1 in every 3 Mainers will likely face a cancer diagnosis in their lifetime, with 10,000 newly diagnosed each year. Since 2015 we have funded \$18M in grants to over 100 nonprofits across Maine who are focused on expanding cancer prevention efforts, increasing cancer screenings, and improving outcomes and access to cancer care for Mainers in all 16 counties. We believe that everyone deserves access to the best possible care, regardless of income or geography.

We Are Not Exempt

We're a fundraising nonprofit; each year we raise the funds that we need for the grants we provide and send those dollars back into our Maine communities. *Because we do not provide direct service to cancer patients or house a cancer research facility, we do not fit the current criteria for sales and use tax exemption.* Yet, to accomplish our mission to support the best services available to cancer patients and potential research, we must purchase the supplies and services necessary to promote and host fundraising events, as well as solicit and provide proper stewardship for our generous

donors. Many of these purchases are taxed. With a blanket sales tax and use exemption, MCF could use these tax savings to provide expanded grantmaking and/or reduce the cost of fundraising.

The Costs and Alternatives

For example, last year's Tri for a Cure raised \$1.9M to support our annual grantmaking and to do this we incurred taxed expenses for fundraising incentives, safety infrastructure, event weekend necessities, and administrative and promotional items for the months leading up to and beyond the event. Without this exemption, MCF paid \$10,000 in sales and use tax, funds that could have been used specifically for cancer patients. As the Deputy Director, every three months I file a Maine Sales and Use tax form to account for purchases that did not include sales tax. And, time is money. MCF prioritizes Maine businesses/vendors for our purchases but many of them are determined that we are exempt as a nonprofit, so we have to repeatedly go back to them requesting updated invoicing. It is nearly impossible to convince out-of-state vendors that we're not exempt, so inevitably their corresponding taxes are tracked and processed through the quarterly form.

How could MCF reallocate a \$10,000 savings in sales and use tax? For Mainers, we could provide:

- Two hundred \$50 gas cards for patients in rural areas to get to their care away from home, that's 100 roundtrip drives from Caribou to Portland for treatment through a grant to Brian's Ride Cancer Fund
- Lodging at Sarah's House in Holden for an eight-week course of daily radiation, saving patients traveling extended distances upwards of \$4800 in per treatment course
- Expanded access to screenings for melanoma in Knox, Hancock, Sagadahoc, and Washington counties through a MaineHealth/Maine Medical Center grant project that provides training and equipment for dermoscopy and biopsy
- Support for at least 10 more cancer survivors to participate in the YMCA LiveStrong Program
- \$10,000 mini-grant funding for Maine's cancer coalition (Maine's Impact Cancer Network) Task Force to complete a collaborative, problem-solving program

These are just a few of the many ways MCF could use the money saved with a blanket sales and use tax exemption. With over 90 open grants across Maine and cancer incidence still higher in Maine than national rates, the potential investments are nearly limitless for Mainers.

Please Support the Blanket Sales and Use Tax Exemption

Please support the blanket sales and use tax exemption in the Governor's Supplemental Budget. The dollars reallocated to MCF's mission will still be invested for Mainers, now in a cancer-targeted way. This exemption also helps us honor the generosity of our donors who entrust their hard-earned dollars for MCF to invest in cancer programs that reduce cancer incidence and mortality rates in Maine.