
TAX - OHIO

Rural Health Collaborative of S. Ohio, Inc. v. Testa

Supreme Court of Ohio - February 16, 2016 - N.E.3d - 2016 WL 671433 - 2016 -Ohio- 508

Tax commissioner appealed decision of Board of Tax Appeals which granted a charitable-use property tax exemption to leased facility that provided dialysis services.

The Supreme Court of Ohio held that:

- Board's finding that healthcare provider lessor was a charitable organization was reasonable and lawful, but
- Board's failure to fully consider whether dialysis clinic, as lessee, could qualify as a charitable organization, required remand.

Board of Tax Appeals' finding that health care provider, which constructed and leased a dialysis clinic, was a charitable organization under charitable-purpose property tax exemption, was reasonable and lawful. The Board viewed the construction and leasing of the dialysis clinic within context of provider's larger body of activities, obtaining grants for tobacco-cessation funding, pregnancy care and education, diabetes prevention and education, and managed-care planning, along with community-care initiatives such as blood drives.

Board of Tax Appeals' failure to fully consider whether dialysis clinic, as lessee, could qualify as a charitable organization, in granting lessor's application for charitable-purpose property tax exemption, required remand. Under provision of charitable-purpose tax exemption statute, both parties to a lease were required to qualify as a charitable institution in providing service to those in need, without regard to race, creed, color, or ability to pay.

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