

## Group Homes Were Not Charitable

A panel of the Commonwealth Court of Pennsylvania held that group homes maintained by a nonprofit for persons with intellectual disabilities were not entitled to real estate tax exemptions as charities. *ARC Human Services, Inc. v. Clearfield County Assessment Office*, 2015 Pa. Commw. LEXIS 398. The court agreed with the trial court that the taxpayer had not established that it donated or rendered gratuitously a substantial portion of its services. The evidence was that the taxpayer received charitable contributions that varied around one percent of its annual expenditures, but the contributions, at least in substantial part, were a return from its parent of fees charged for management services. The court held that the testimony was unclear to the extent to which the fees charged to residents were not covered by government payments, including Social Security payments. Therefore, the taxpayer had not proved entitlement to the exemptions.

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To discuss any questions you may have regarding the opinion discussed in this Alert, or how it may apply to your particular circumstances, please contact: Joseph C. Bright at [jbright@cozen.com](mailto:jbright@cozen.com) or 215.665.2053, Dan A. Schulder at [dschulder@cozen.com](mailto:dschulder@cozen.com) or 717.703.5905, or Cheryl A. Upham at [cupham@cozen.com](mailto:cupham@cozen.com) or 215.665.4193.



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