

# ARIZONA

## Community Benefit Requirement

Arizona law does not expressly require nonprofit hospitals to provide community benefits.

## Minimum Community Benefit Requirement

Arizona law does not expressly require nonprofit hospitals to provide community benefits.

## Community Benefit Reporting Requirement

Arizona does not require nonprofit hospitals to report community benefits.

## Community Health Needs Assessment

Arizona does not require nonprofit hospitals to conduct community health needs assessments.

## Community Benefit Plan/Implementation Strategy

Arizona does not require nonprofit hospitals to develop community benefit plans or implementation strategies.

## Financial Assistance Policy

Arizona does not require nonprofit hospitals to adopt or implement financial assistance policies.

Hospital administrators are responsible for informing patients how to obtain a schedule of hospital rates and charges. [Ariz. Admin. Code Title 9, §R9-10-212\(B\)\(3\)\(c\)](#).

## Financial Assistance Policy Dissemination

Arizona does not require nonprofit hospitals to adopt or implement financial assistance policies.

However, Arizona law requires that hospitals, including nonprofit hospitals, post a detailed schedule of rates and charges in a conspicuous place in the reception area/outpatient treatment center. [Ariz. Rev. Stat. §36-436.01\(B\)](#).



## Limitations on Charges, Billing, and Collections

Arizona does not limit nonprofit hospital charges, billing, or collections.

Arizona law does not limit hospital charges, billing, or collection practices but, conversely, permits health care providers to secure a lien for the care, treatment, and transportation of an injured patient against the patient's liability and indemnity claims other than health insurance and underinsured motorist coverage. Generally, the lien would be for the amount of the hospital's customary charges rather than costs. [Ariz. Rev. Stat. §33-931](#).

## Income Tax Exemption

Arizona law exempts nonprofit hospitals from state income tax.

Two separate provisions of Arizona law exempt nonprofit hospitals from state income tax. Arizona exempts from state income tax organizations that are exempt from federal income tax pursuant to Internal Revenue Code §501.

In addition, Arizona exempts corporations organized for charitable purposes from state income tax provided, among other things, that no substantial part of their activities consists of "carrying on propaganda or attempting to influence legislation." [Ariz. Rev. Stat. §43-1201\(A\)\(4\)](#).

## Property Tax Exemption

Arizona law exempts from taxation property used to provide health care services by a federally tax-exempt nonprofit hospital.

Arizona law exempts from taxation property owned by health care providers that is used to provide health care services if that property is exempt from federal income tax pursuant to Internal Revenue Code §501(c)(3). In addition, the real and personal property of a hospital "for the relief of the indigent or afflicted" is exempt from property taxes as long as the hospital is operated as a nonprofit. [Ariz. Rev. Stat. §42-11105\(A\), \(D\)](#).

## Sales Tax Exemption

Arizona law exempts nonprofit hospitals from its Transaction Privilege and Use Tax.

Arizona exempts from the state's Transaction Privilege and Use Tax (TPUT) sales of tangible personal property to hospitals organized and operated exclusively for charitable purposes, with no private inurement. Also exempt are sales of tangible personal property by hospitals organized and operated exclusively for charitable purposes that are recognized by the IRS under Internal Revenue Code §501(c)(3). [Ariz. Rev. Stat. §42-5159\(A\)\(13\)\(a\), \(15\)\(a\)](#).