

# ALABAMA

## Community Benefit Requirement

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

## Minimum Community Benefit Requirement

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

## Community Benefit Reporting Requirement

Alabama does not require nonprofit hospitals to report community benefits.

## Community Health Needs Assessment

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

## Community Benefit Plan/Implementation Strategy

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

## Financial Assistance Policy

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

## Financial Assistance Policy Dissemination

Alabama requires hospitals that have financial assistance policies to make written information about these policies available.

Each bill or summary of charges issued by a nonprofit or for-profit hospital must include a prescribed statement that a patient meeting income criteria may qualify “for the financial assistance policy of the hospital.” In addition, signs must be posted in admission and registration areas indicating the availability of financial assistance to qualified patients. A description of the financial assistance application process and a copy of the financial assistance application must be prominently posted on the hospital’s website “if financial assistance is available at the hospital.” [Ala Code 22-21-300](#).



## Limitations on Charges, Billing, and Collections

Alabama does not limit nonprofit hospital charges, billing, or collection practices.

## Income Tax Exemption

Alabama exempts nonprofit hospitals from state income tax.

Alabama exempts from state income tax organizations that are exempt from federal income tax under Internal Revenue Code §501(a). [Ala. Code 40-18-32](#).

## Property/Ad Valorem Tax Exemption

Alabama exempts from ad valorem taxes nonprofit hospitals' real and personal property used exclusively for charitable purposes unless the property is "let for rent or hire or for use for business purposes." [Ala. Code 40-9-1\(1\)](#).

Alabama law provides for a general ad valorem tax exemption of the real and personal property owned and operated by a nonprofit hospital. For-profit hospitals that use a portion of their property for charitable purposes may qualify for a partial ad valorem tax exemption (limited to \$75,000 of assessed value) if the hospital certifies that in the previous year it "has done 15 percent of its treatment of patients as charity work." [Ala. Code 40-9-1\(1\)](#) and [\(2\)](#); [Alabama Const., Amendment 373\(k\)](#); [Mingledorff v. Vaughan Regional Medical](#), 682 So. 2d 415, 422 (1996).

## Sales Tax Exemption

Alabama law does not generally exempt nonprofit hospitals from sales and use taxes.

Alabama law provides nonprofit organizations "no special exemption" from the state's sales and use taxes; only organizations that are specifically identified in the statute are exempt. [Ala. Admin. Code R. 810-6-3-.07.05](#).

