

SENATE BILL REPORT

ESSB 6047

As Passed Senate, March 7, 1995

Title: An act relating to sales and use tax exemptions for medical care products.

Brief Description: Providing sales and use tax exemptions for medical care products.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Gaspard, McCaslin, Wojahn, Prentice, C. Anderson, Rinehart, Heavey, Spanel, Smith, Sheldon, Drew, Fraser, Loveland, Fairley, Sutherland, McAuliffe, Snyder, Quigley, Hargrove, Franklin, Kohl, Bauer, Rasmussen, Haugen, Owen, Pelz and Winsley).

Brief History:

Committee Activity: Ways & Means: 3/2/95, 3/3/95 [DPS].
Passed Senate, 3/7/95, 46-1.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6047 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Gaspard, Hargrove, Hochstatter, Johnson, Long, McDonald, Moyer, Pelz, Roach, Sheldon, Snyder, Spanel, Strannigan, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7715)

Background: The sales tax is paid on each retail sale of most articles of tangible personal property and certain services. The use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms.

Major items exempt from tax include food for human consumption, prescription drugs and lenses, motor vehicle fuel, utility services, professional services (e.g. medical, legal), certain business services (e.g. accounting, engineering), and items that become a component part of another product for sale.

Summary of Bill: A sales and use tax exemption is provided for over-the-counter drugs, including vitamins, naturopathic medicines, eyeglasses, prescribed durable medical equipment, adult incontinent pads and pants, and the following medical care products: fever thermometers, first aid supplies, vaporizers, humidifiers, and other health-aid appliances, and convalescent aids.

Durable medical equipment includes wheelchairs, hospital beds, standing aids, walking aids, bathroom aids, aids to daily living, lifting devices and chairs, and parts and accessories of all durable medical equipment.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect July 1, 1995.

Testimony For: This will save the state money because 25 percent of the tax on durable medical equipment is paid by the state. Nurse practitioners can also prescribe durable medical equipment and should be added as a technical amendment. Naturopaths can prescribe durable medical equipment and should be added. Senior citizens who need home care and over-the-counter drugs have diminished income because of the tax. Many senior citizens are frail and need these items.

Testimony Against: None.

Testified: Gail McGaffick, Home Care Assn. of WA (pro); Patty Hayes, ARNPs United (pro); Betty Johnson, WSRTA Senior Lobby (pro); Robert Lynch, AARP (pro); Jeff Larsen WA Assn. of Naturopathic Physicians (pro).