
Finance Committee

HB 1376

Brief Description: Providing tax exemptions for comprehensive cancer centers.

Sponsors: Representatives Murray, Jarrett, McIntire, Hinkle, Campbell, Santos and Hudgins.

Brief Summary of Bill

- Provides business and occupation, sales, and use tax exemptions for comprehensive cancer centers.

Hearing Date: 2/2/05

Staff: Bob Longman (786-7139).

Background:

Nonprofit cancer centers are exempt from property tax, but do not qualify for business and occupation (B&O) tax exemptions or sales and use tax exemptions.

Nonprofit blood, bone, and tissue banks are exempt from property tax. Nonprofit blood, bone, and tissue banks are exempt from B&O tax to the extent the amounts received are exempt from federal income tax. The purchase and use of medical supplies, chemicals, or specialized materials by a nonprofit blood, bone, or tissue bank is exempt from sales and use tax.

In 1999, a question arose as to whether the Fred Hutchinson Cancer Research Center qualified as a blood, bone, or tissue bank for purposes of B&O, sales, and use tax exemptions. Litigation ensued. In 2003, the Thurston County Superior Court ruled that the Fred Hutchinson Cancer Research Center was not eligible for these exemptions. The court decision also invalidated the exemptions for bone and tissue banks, because the title of the original enactment of the exemptions was limited to blood banks. In 2004, the Legislature re-enacted the exemptions for bone and tissue banks.

Summary of Bill:

Comprehensive cancer centers are exempt from property tax. Comprehensive cancer centers are exempt from B&O tax to the extent the amounts received are exempt from federal income tax. The purchase and use of medical supplies, chemicals, or specialized materials by a comprehensive cancer center is exempt from sales and use tax. A comprehensive cancer center is defined as one that it is recognized by the National Cancer Institute and qualifies as an exempt organization under the federal income tax code.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.