
SUBSTITUTE SENATE BILL 6477

State of Washington

64th Legislature

2016 Regular Session

By Senate Human Services, Mental Health & Housing (originally sponsored by Senators Dammeier, Conway, O'Ban, Darneille, and Angel)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to a business and occupation tax deduction for
2 chemical dependency services provided by a health or social welfare
3 organization; amending RCW 82.04.4277; creating a new section;
4 providing an effective date; providing an expiration date; and
5 declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
8 performance statement for the tax preference contained in section 2
9 of this act. This performance statement is only intended to be used
10 for subsequent evaluation of the tax preference. It is not intended
11 to create a private right of action by any party or be used to
12 determine eligibility for preferential tax treatment.

13 (2) The legislature categorizes this tax preference as one
14 intended to reduce structural inefficiencies in the tax structure as
15 indicated in RCW 82.32.808(2)(d).

16 (3) It is the legislature's specific public policy objective to
17 increase the funds available for community treatment of mental health
18 and chemical dependency disorders under a government-funded program.
19 It is the legislature's intent to provide tax relief to behavioral
20 health organizations and health or social welfare organizations in
21 order to increase the funds available for community treatment.

1 (4) It is not intended for this tax preference to extend beyond
2 January 1, 2020, because on that date the community behavioral health
3 program must be fully integrated in a managed care health system
4 under RCW 71.24.850(2).

5 **Sec. 2.** RCW 82.04.4277 and 2014 c 225 s 104 are each amended to
6 read as follows:

7 (1) A health or social welfare organization may deduct from the
8 measure of tax amounts received as compensation for providing mental
9 health services or chemical dependency services under a government-
10 funded program.

11 (2) A behavioral health organization may deduct from the measure
12 of tax amounts received from the state of Washington for distribution
13 to a health or social welfare organization that is eligible to deduct
14 the distribution under subsection (1) of this section.

15 (3) A person claiming a deduction under this section must file a
16 complete annual report with the department under RCW 82.32.534.

17 (4) The definitions in this subsection apply ~~((to this section))~~
18 throughout this section unless the context clearly requires
19 otherwise.

20 (a) "Chemical dependency" has the same meaning as provided in RCW
21 70.96A.020.

22 (b) "Health or social welfare organization" has the meaning
23 provided in RCW 82.04.431.

24 ~~((b))~~ (c) "Mental health services" and "behavioral health
25 organization" have the meanings provided in RCW 71.24.025.

26 (5) This section expires ~~((August 1, 2016))~~ January 1, 2020.

27 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of
29 the state government and its existing public institutions, and takes
30 effect April 1, 2016.

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