

SENATE BILL REPORT

SB 6698

As of January 31, 2006

Title: An act relating to exempting dietary supplements sold by chiropractors to their patients from sales and use tax.

Brief Description: Exempting dietary supplements sold by chiropractors to their patients from sales and use tax.

Sponsors: Senators Pridemore, Carrell, Franklin, Roach, Oke and Benton.

Brief History:

Committee Activity: Ways & Means: 1/31/06.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7433)

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 and certain services 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.

Although unprepared food and food ingredients for human consumption is exempt from sales and use tax, dietary supplements are subject to tax unless dispensed or to be dispensed to patients, pursuant to a prescription.

A dietary supplement is any product, other than tobacco, that contains a vitamin, mineral, herb or other botanical, amino acid, or other substance for use by humans to supplement the diet if it is intended for ingestion or, if not so intended, is not represented as conventional food and is required to be labeled as a dietary supplement under federal law.

Summary of Bill: The sales and use tax does not apply to sales of dietary supplements for human use sold by a licensed chiropractor to the chiropractor's patients.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Health care providers who prescribe supplements are not subject to the sales and use tax. Chiropractors cannot prescribe, only recommend. Chiropractors are the only health care providers who must collect the tax.

Testimony Against: Commercial supplements are risky.

Who Testified: PRO: David Butters, DC, WA Chiropractic Assn.

CON: Yoshi Revelle, Global Citizen.