

# SENATE BILL REPORT

## SB 5214

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As of February 7, 2013

**Title:** An act relating to a business and occupation tax deduction for donated medical services.

**Brief Description:** Concerning a business and occupation tax deduction for donated medical services.

**Sponsors:** Senators Becker, Rivers, Benton, Honeyford, Holmquist Newbry, Carrell, Padden and Schlicher.

**Brief History:**

**Committee Activity:** Health Care: 2/07/13.

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### SENATE COMMITTEE ON HEALTH CARE

**Staff:** Edith Rice (786-7444)

**Background:** Washington State includes as part of its tax structure the business & occupation (B&O) tax, sales and use taxes, and a variety of industry-specific taxes. The Washington Department of Revenue administers over 60 different taxes. The B&O tax is a tax on the business' gross revenue. In addition to the state B&O tax, many cities and towns also impose local B&O taxes.

**Summary of Bill:** For the purpose of determining state B&O taxes, beginning on August 1, 2013, health care providers are permitted to deduct from amounts they receive the value of medical services donated to charity care.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: We provide managed healthcare for low income and uninsured individuals and would like to continue services and expand them. We support the concept and encourage providers to support charity care. Even with health care

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reform there will still be a need for charity care. We expect there to be increased needs for specialty providers.

**Persons Testifying:** PRO: Linda Cameron, Pierce County Project Access; Susie Tracy, WA State Medical Assn.; Katie Rains, WA Healthcare Access Alliance.