

# SENATE BILL REPORT

## SB 5218

---

---

As Reported by Senate Committee On:  
Health & Long Term Care, January 17, 2023  
Ways & Means, March 16, 2023

**Title:** An act relating to providing a sales and use tax exemption for complex rehabilitation technology products.

**Brief Description:** Providing a sales and use tax exemption for complex rehabilitation technology products. [**Revised for 1st Substitute:** Providing a sales and use tax exemption for mobility enhancing equipment for use by or for a complex needs patient.]

**Sponsors:** Senators Padden, Mullet and Torres.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/17/23 [w/oRec-WM].  
Ways & Means: 2/07/23, 3/16/23 [DPS].

**Brief Summary of First Substitute Bill**

- Exempts from retail sales and use tax certain mobility enhancing equipment.

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5218 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Billig, Boehnke, Braun, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Nguyen, Pedersen, Saldaña, Torres, Van De Wege, Wagoner and Wellman.

**Staff:** Alia Kennedy (786-7405)

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** Retail Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use tax applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. Some other local government entities and special purpose districts also impose sales and use taxes for specific purposes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.9 percent, depending on the location.

A retail sales and use tax exemption is provided for certain health-related products or devices. The exemption applies to:

- prosthetic devices, including eyeglasses and frames, prescribed for individuals by a person licensed by the state to prescribe them;
- medically prescribed oxygen and oxygen delivery systems;
- medicine of mineral, animal or botanical origin prescribed, administered, dispensed or used in the treatment of an individual by a naturopath; and
- components of prosthetic devices and charges for repairing devices exempted by this statute.

Tax Preferences. All new tax preference legislation is required to include a tax preference performance statement. The performance statement must clearly specify the public policy objectives of the tax preference, and the specific metrics and data that will be used by the Joint Legislative Audit and Review Committee (JLARC) to evaluate the efficacy of the tax preference. An automatic ten-year expiration date is applied to new tax preferences if an alternate expiration date is not provided in the new tax preference legislation.

**Summary of Bill (First Substitute):** The retail sales and use tax does not apply to sales of mobility enhancing equipment for use by a complex needs patient to meet the patient's medical, physical, and functional needs and capacities for basic activities when medically necessary and to prevent hospitalization or institutionalization .

To claim an exemption, the purchaser must provide the seller with an exemption certificate, as prescribed by the Department of Revenue. The seller must retain a copy of the certificate for the seller's files.

The tax exemption applies to mobility enhancing equipment sold or used on or after August 1, 2023.

The tax exemption is permanent and not subject to review by JLARC.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):**

- Makes technical changes to conform with the multistate streamlined sales and use tax agreement.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: This bill will help people with disabilities by removing sales tax from complex rehabilitation technology products, which would save them money and give them independence. It is very expensive for people with disabilities to pay for the infrastructure and equipment that they need for their daily lives, and sales tax only adds to exuberant costs. This equipment reduces hospital readmittances and shortens stays.

**Persons Testifying:** PRO: Senator Mike Padden, Prime Sponsor; Donald Whitney, Inland Medical and Rehab; Bryce Schaffner, Bellevue Healthcare - Home Medical Equipment Provider; Shawn Latham, Allies in Advocacy; mark challender.

**Persons Signed In To Testify But Not Testifying:** No one.