

FINAL BILL REPORT

SSB 5218

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Synopsis as Enacted

Brief Description: Providing a sales and use tax exemption for mobility enhancing equipment for use by or for a complex needs patient.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Padden, Mullet and Torres).

Senate Committee on Health & Long Term Care
Senate Committee on Ways & Means
House Committee on Finance

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

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.

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: 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 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.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: July 23, 2023