

# HOUSE BILL REPORT

## HB 1317

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*As Reported By House Committee on:  
Revenue*

**Title:** An act relating to tax exemptions for oxygen.

**Brief Description:** Clarifying the tax exemption for medically prescribed oxygen.

**Sponsor(s):** Representatives Silver, Morris, Holland, Fraser, Mielke, Spanel, Edmondson, Lisk, Morton, Paris, Hochstatter, Nealey, Wynne, Cooper, Bowman, D. Sommers, Miller, Ballard and Mitchell.

**Brief History:**

Reported by House Committee on:  
Revenue, February 26, 1991, DPS.

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**HOUSE COMMITTEE ON  
REVENUE**

**Majority Report:** *That Substitute House Bill No. 1317 be substituted therefor, and the substitute bill do pass.*  
Signed by 15 members: Representatives Wang, Chair; Fraser, Vice Chair; Holland, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Brumsickle; Day; Leonard; Morris; Morton; Phillips; Rust; Silver; and Van Luven.

**Staff:** Robin Appleford (786-7093).

**Background:** The retail sales and use taxes apply to sales or use of tangible personal property and certain services. Two major exemptions from sales and use taxes are for prescription drugs and certain medical devices. Sales of the following are exempt from sales and use taxes if prescribed by a physician: drugs and lenses for treatment or prevention of disease or ailments, insulin, prosthetic and orthotic devices, and oxygen. The exemption for "medically prescribed oxygen" includes only bottled oxygen, and not oxygen concentrator systems.

**Summary of Substitute Bill:** The exemption for medically prescribed oxygen is expanded to include purchase or rental of oxygen concentrator, oxygen enricher, liquid oxygen, and gaseous bottled oxygen systems. The oxygen system must be purchased or rented by an individual under a prescription

issued by a physician, and must be used in the medical treatment of the individual.

**Substitute Bill Compared to Original Bill:** A statement is added that the intent of the legislation is to bring sales and rental of individual oxygen systems within the existing exemption for medical oxygen, without expanding the essence of the original policy decision that medical oxygen should be exempt from sales and use tax. Language is added to exempt only those oxygen systems for individuals having prescriptions issued by physicians and who use the system in medical treatment.

**Fiscal Note:** Available.

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

**Testimony For:** The Legislature originally intended to exempt all oxygen, but recent changes in technology have made the statute outdated. The exemption is needed since bottled oxygen is more cumbersome and dangerous to use than oxygen systems.

**Testimony Against:** None.

**Witnesses:** Jerry Luedke, Washington Society for Respiratory Care; Ty Bromm, Tacoma Oxygen Support Group; Rochelle Hughes, American Lung Association; and Arnold Livingston, Senior Citizens Lobby.