

SENATE BILL REPORT

SB 5524

AS PASSED SENATE, FEBRUARY 3, 1992

Brief Description: Limiting taxes on free hospitals.

SPONSORS: Senators West, McMullen, Conner, McCaslin, Stratton, Wojahn, Bauer, Vognild, Madsen, von Reichbauer, Saling, Newhouse, Snyder and L. Kreidler.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Johnson, L. Kreidler, Metcalf, Niemi, Rinehart, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: March 7, 1991; March 8, 1991

BACKGROUND:

Sales to hospitals of tangible personal property which is used to operate the hospital or to provide health care services to patients are subject to the retail sales tax. Only sales of tangible personal property to persons for the purpose of resale in the regular course of business without intervening use are exempt from retail sales and use tax.

SUMMARY:

Sales to hospitals which do not charge patients for health care of items reasonably necessary for the operation of and the provision of health care by the hospital are exempt from sales and use tax.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

The Shriners' Hospital for Crippled Children receives no state or federal money and does not charge patients. The tax savings will all go toward children's care.

TESTIMONY AGAINST: None

TESTIFIED: Dave Broderick, Howard Parrot, Washington Hospital
Assn. (pro)