

VETO MESSAGE ON SB 5555

June 14, 1995

To the Honorable President and Members,
The Senate of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 3 and 4, Second Engrossed Senate Bill No. 5555 entitled:

"AN ACT Relating to taxation of massage services;"

Second Engrossed Senate Bill No. 5555 provides that massage services no longer would be subject to the retail sales tax, but would continue to be taxed at the same business and occupation tax rate as retailers.

Massage services were added to the list of services subject to the retail sales tax in 1993. The state further agreed that medically-ordered massage was part of physical therapy services and should remain taxable under the service classification. Massage therapists performing both medically-ordered massage and discretionary massage services were forced to report under two classifications.

Massage therapists have argued since the change in 1993 that they are health care professionals and should be taxed, as are most other health care professionals, under the service classification of the business and occupation tax.

Although the bill orders massage services to be taxed under the new, special rate, it does not end the distinction between medically-ordered massage and discretionary massage.

Thus, in order to return the massage therapists to the tax status they enjoyed prior to the 1993 legislative session, I am vetoing sections 3 and 4 of Second Engrossed Senate Bill No. 5555. This will have the effect of removing massage services from the retail sales tax, making all massage services taxable at a single rate. With this veto, massage services will be taxed under the service and other business and occupation tax.

For these reasons, I have vetoed sections 3 and 4 of Second Engrossed Senate Bill No. 5555.

With the exception of sections 3 and 4, Second Engrossed Senate Bill No. 5555 is approved.

Respectfully submitted,
Mike Lowry
Governor