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**SUBSTITUTE HOUSE BILL 1483**

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**State of Washington**                      **66th Legislature**                      **2019 Regular Session**

**By** House Finance (originally sponsored by Representative Young)

READ FIRST TIME 02/28/19.

1        AN ACT Relating to extending the business and occupation  
2 deduction for government-funded behavioral health services;  
3 reenacting and amending RCW 82.04.4277 and 82.04.4277; creating a new  
4 section; providing a contingent effective date; providing a  
5 contingent expiration date; and providing expiration dates.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7        NEW SECTION.    **Sec. 1.**    (1) This section is the tax preference  
8 performance statement for the tax preferences contained in sections 2  
9 and 3, chapter . . ., Laws of 2019 (sections 2 and 3 of this act).  
10 This performance statement is only intended to be used for subsequent  
11 evaluation of the tax preferences. It is not intended to create a  
12 private right of action by any party or to be used to determine  
13 eligibility for preferential tax treatment.

14        (2) The legislature categorizes these tax preferences as ones  
15 intended to reduce taxes so more money can go directly to behavioral  
16 health services, as indicated in RCW 82.32.808(2)(f).

17        (3) It is the legislature's specific public policy objective to  
18 support behavioral health services that can prevent more serious and  
19 costly health issues.

20        (4) If a review finds that the amount of funding available for  
21 behavioral health services by these taxpayers increased, then the

1 legislature intends to extend the expiration date of these tax  
2 preferences.

3 (5) In order to obtain the data necessary to perform the review  
4 in subsection (4) of this section, the joint legislative audit and  
5 review committee may refer to any data collected by the state.

6 **Sec. 2.** RCW 82.04.4277 and 2017 c 323 s 528 and 2017 c 135 s 14  
7 are each reenacted and amended to read as follows:

8 (1) A health or social welfare organization may deduct from the  
9 measure of tax amounts received as compensation for providing mental  
10 health services or chemical dependency services under a government-  
11 funded program.

12 (2) A behavioral health organization or a behavioral health  
13 administrative services organization may deduct from the measure of  
14 tax amounts received from the state of Washington for distribution to  
15 a health or social welfare organization that is eligible to deduct  
16 the distribution under subsection (1) of this section.

17 (3) A person claiming a deduction under this section must file a  
18 complete annual tax performance report with the department under RCW  
19 82.32.534.

20 (4) The definitions in this subsection apply throughout this  
21 section unless the context clearly requires otherwise.

22 (a) "Behavioral health administrative services organization"  
23 means an entity contracted with the health care authority to  
24 administer behavior health services and programs, including crisis  
25 services and administration of chapter 70.05 RCW, the involuntary  
26 treatment act, for all individuals in a defined regional service  
27 area.

28 (b) "Behavioral health organization" has the same meaning as  
29 provided in RCW 71.24.025.

30 (c) "Chemical dependency" has the same meaning as provided in RCW  
31 70.96A.020 through March 31, 2018, and the same meaning as provided  
32 in RCW 71.05.020 beginning April 1, 2018.

33 ~~((b))~~ (d) "Health or social welfare organization" has the  
34 meaning provided in RCW 82.04.431.

35 ~~((e))~~ (e) "Mental health services" ~~((and "behavioral health~~  
36 ~~organization" have))~~ has the meaning~~((s))~~ as provided in RCW  
37 71.24.025.

38 (5) This section expires January 1, ~~((2020))~~ 2025.

1       **Sec. 3.** RCW 82.04.4277 and 2017 c 323 s 528 and 2017 C 135 s 14  
2 are each reenacted and amended to read as follows:

3       (1) A health or social welfare organization may deduct from the  
4 measure of tax amounts received as compensation for providing mental  
5 health services or chemical dependency services under a government-  
6 funded program.

7       (2) A behavioral health administrative services organization may  
8 deduct from the measure of tax amounts received from the state of  
9 Washington for distribution to a health or social welfare  
10 organization that is eligible to deduct the distribution under  
11 subsection (1) of this section.

12       (3) A person claiming a deduction under this section must file a  
13 complete annual tax performance report with the department under RCW  
14 82.32.534.

15       (4) The definitions in this subsection apply throughout this  
16 section unless the context clearly requires otherwise.

17       (a) "Behavioral health administrative services organization" has  
18 the same meaning as provided in RCW 71.24.025.

19       **(b)** "Chemical dependency" has the same meaning as provided in RCW  
20 70.96A.020 through March 31, 2018, and the same meaning as provided  
21 in RCW 71.05.020 beginning April 1, 2018.

22       ~~((b))~~ **(c)** "Health or social welfare organization" has the  
23 meaning provided in RCW 82.04.431.

24       ~~((e))~~ **(d)** "Mental health services" and "behavioral health  
25 organization" have the meanings provided in RCW 71.24.025.

26       (5) This section expires January 1, ~~((2020))~~ 2025.

27       NEW SECTION.   **Sec. 4.** Section 3 of this act takes effect January  
28 1, 2020, if House Bill No. 1393 takes effect.

29       NEW SECTION.   **Sec. 5.** Section 2 of this act expires on the date  
30 that section 3 of this act takes effect.

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