

HB 2487 - H AMD TO H AMD (H-3790.2/26) **2533**

By Representative Marshall

NOT ADOPTED 03/06/2026

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) In *Envolve Pharmacy Solutions, Inc. v.*
4 *Department of Revenue* (2024), the Washington supreme court construed
5 the insurance premium exemption from the business and occupation tax
6 in RCW 82.04.320 to apply to an affiliate of an insurer. The Court
7 correctly reasoned the affiliate qualified for the tax exemption
8 because it was a person performing work in respect to insurance
9 business upon which a premium tax had been paid.

10 (2) The legislature finds that on October 2, 2019, the department
11 of revenue issued public guidance in the form of an interim guidance
12 statement that explained, in part, that a person claiming the
13 exemption in RCW 82.04.320 must show proof that it paid premium tax to
14 the state with respect to the gross income it claims as exempt from
15 business and occupation tax. The supreme court's decision in *Envolve*
16 *Pharmacy Solutions, Inc.* forced the department to rescind that
17 guidance.

18 (3) To address fairness and equity in following the law and
19 outcome of the Washington supreme court's decision in *Envolve Pharmacy*
20 *Solutions, Inc.*, the department of revenue shall refund by December 31,
21 2026, any insurer who paid business and occupation tax in reliance on
22 the department's interim guidance after October 2, 2019, and before
23 such guidance was revoked."

EFFECT: Strikes the underlying amendment's content, replaces it
with legislative findings regarding the *Envolve Pharmacy Solutions*
decision, and directs the Department of Revenue (DOR) to issue
refunds to insurers of any business and occupation tax payments made
in reliance on DOR's interim guidance.

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