

**RCW 82.04.4290 Deductions—Mental health services or substance use disorder treatment services. (Expires January 1, 2032.)** (1) A health or social welfare organization may deduct from the measure of tax amounts received as compensation for providing mental health services or substance use disorder treatment services under a government-funded program.

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

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

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

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

(b) "Health or social welfare organization" has the same meaning as provided in RCW 82.04.431.

(c) "Mental health services" means mental health services as described in chapter 71.24 RCW.

(d) "Substance use disorder treatment services" means substance use disorder treatment services as described in chapter 71.24 RCW.

(5) This section expires January 1, 2032. [2021 c 124 § 3.]

**Finding—Intent—2021 c 124:** "The legislature finds that COVID-19 has had significant impacts on behavioral health. The legislature previously had a feature of its tax system that exempted government-funded behavioral health services from paying business and occupation tax in order for more tax dollars to be utilized in providing health services. The legislature intends to reenact that preference in light of increased behavioral health needs for the foreseeable future, and in recognition that treatment reduces costs to the government in other services." [2021 c 124 § 1.]

**Tax preference performance statement—2021 c 124:** "(1) This section is the tax preference performance statement for the tax preference contained in section 3, chapter 124, Laws of 2021. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to accomplish a general purpose, reducing taxes so more money can go directly to behavioral health services, as indicated in RCW 82.32.808(2)(f).

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

(4) If a review finds that the amount of funding available for behavioral health services by these taxpayers increased, then the legislature intends to extend the expiration date of the tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and

review committee may refer to any data collected by the state." [2021 c 124 § 2.]

**Effective date—2021 c 124:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [April 26, 2021]." [2021 c 124 § 4.]