

# SENATE BILL REPORT

## SB 6526

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As Passed Senate, March 7, 1996

**Title:** An act relating to tax exemptions for medicines prescribed by naturopaths.

**Brief Description:** Exempting from sales and use tax medicines prescribed by naturopaths.

**Sponsors:** Senators Spanel, Roach and Kohl.

**Brief History:**

**Committee Activity:** Ways & Means: 3/7/96 [DP].

Passed Senate, 3/7/96, 48-0.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hargrove, Hochstatter, Johnson, Kohl, Long, McDonald, Moyer, Pelz, Quigley, Roach, Sheldon, Snyder, Spanel, Strannigan, Sutherland, West, Winsley and Wojahn.

Staff: David Schumacher (786-7715)

**Background:** The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total rate is between 7 percent and 8.2 percent, depending on the location.

Sales tax applies when items are purchased at retail in the state. Sales tax is paid by the purchaser and collected by the seller. Use tax is imposed on the use of an item in this state when the acquisition of the item has not been subject to sales tax. Use tax applies to items purchased from sellers who do not collect sales tax, items acquired from out of state, and items produced by the person using the item. Use tax is equal to the sales tax rate multiplied by the value of the property used.

A number of exemptions from these taxes exist. Examples of exemptions that apply to both sales and use taxes are most food purchased in stores, prescription drugs, and medically prescribed oxygen.

The sale and use of medicines prescribed, administered, or used by a naturopath are not exempt from sales and use taxes.

**Summary of Bill:** The sale and use of medicines of mineral, animal, and botanical origin prescribed, administered, or used in treatment of an individual by a naturopath are exempt from both sales and use taxes.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 1996.