

# HOUSE BILL REPORT

## HB 1440

---

As Reported By House Committee On:  
Revenue

**Title:** An act relating to retail sales and use taxes.

**Brief Description:** Reducing the tax burden on free hospitals.

**Sponsors:** Representatives Dellwo, Mielke, Orr, G. Fisher,  
Brown and Silver.

**Brief History:**

Reported by House Committee on:  
Revenue, March 5, 1993, DP.

---

### HOUSE COMMITTEE ON REVENUE

**Majority Report:** Do pass. Signed by 9 members:  
Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman,  
Ranking Minority Member; Fuhrman, Assistant Ranking Minority  
Member; Anderson; Cothorn; Leonard; Morris; and Thibaudeau.

**Minority Report:** Do not pass. Signed by 3 members:  
Representatives Romero; Rust; and Wang.

**Staff:** Rick Peterson (786-7150).

**Background:** Sales to hospitals of tangible personal  
property which is used to operate the hospital or to provide  
health care services to patients are subject to the retail  
sales tax. Only sales of tangible personal property to  
persons for the purpose of resale in the regular course of  
business without intervening use are exempt from retail  
sales and use tax.

**Summary of Bill:** Sales, to hospitals which do not charge  
patients for health care, of items reasonably necessary for  
the operation of and the provision of health care by the  
hospital are exempt from sales and use tax.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and  
takes effect immediately.

**Testimony For:** The Shriners' Hospital for Crippled Children  
receives no state or federal money and does not charge

patients. The tax savings will all go toward children's care.

**Testimony Against:** Passage of this bill would open up the door for other organizations to request tax exemptions.

**Witnesses:** Dave Broderick, Washington Hospital Association (pro); Howard Parrett, Shriners' Hospital (pro); and Russ Brubaker, Department of Revenue (con).