

2 **SHB 3096** - S COMM AMD

3 By Committee on Financial Institutions, Insurance & Housing

4 ADOPTED 3/3/98

5 Strike everything after the enacting clause and insert the  
6 following:

7 "Sec. 1. RCW 48.14.0201 and 1997 c 154 s 1 are each amended to  
8 read as follows:

9 (1) As used in this section, "taxpayer" means a health maintenance  
10 organization, as defined in RCW 48.46.020, or a health care service  
11 contractor, as defined in RCW 48.44.010.

12 (2) Each taxpayer shall pay a tax on or before the first day of  
13 March of each year to the state treasurer through the insurance  
14 commissioner's office. The tax shall be equal to the total amount of  
15 all premiums and prepayments for health care services received by the  
16 taxpayer during the preceding calendar year multiplied by the rate of  
17 two percent.

18 (3) Taxpayers shall prepay their tax obligations under this  
19 section. The minimum amount of the prepayments shall be percentages of  
20 the taxpayer's tax obligation for the preceding calendar year  
21 recomputed using the rate in effect for the current year. For the  
22 prepayment of taxes due during the first calendar year, the minimum  
23 amount of the prepayments shall be percentages of the taxpayer's tax  
24 obligation that would have been due had the tax been in effect during  
25 the previous calendar year. The tax prepayments shall be paid to the  
26 state treasurer through the commissioner's office by the due dates and  
27 in the following amounts:

- 28 (a) On or before June 15, forty-five percent;
- 29 (b) On or before September 15, twenty-five percent;
- 30 (c) On or before December 15, twenty-five percent.

31 (4) For good cause demonstrated in writing, the commissioner may  
32 approve an amount smaller than the preceding calendar year's tax  
33 obligation as recomputed for calculating the health maintenance  
34 organization's, health care service contractor's, or certified health  
35 plan's prepayment obligations for the current tax year.

1 (5) Moneys collected under this section shall be deposited in the  
2 general fund through March 31, 1996, and in the health services account  
3 under RCW 43.72.900 after March 31, 1996.

4 (6) The taxes imposed in this section do not apply to:

5 (a) Amounts received by any taxpayer from the United States or any  
6 instrumentality thereof as prepayments for health care services  
7 provided under Title XVIII (medicare) of the federal social security  
8 act.

9 (b) Amounts received by any health care service contractor, as  
10 defined in RCW 48.44.010, as prepayments for health care services  
11 included within the definition of practice of dentistry under RCW  
12 18.32.020.

13 (7) Beginning January 1, 2000, the state does hereby preempt the  
14 field of imposing excise or privilege taxes upon taxpayers and no  
15 county, city, town, or other municipal subdivision shall have the right  
16 to impose any such taxes upon such taxpayers. This subsection shall be  
17 limited to premiums and payments for health benefit plans offered by  
18 health care service contractors under chapter 48.44 RCW and health  
19 maintenance organizations under chapter 48.46 RCW. The preemption  
20 authorized by this subsection shall not impair the ability of a county,  
21 city, town, or other municipal subdivision to impose excise or  
22 privilege taxes upon the health care services directly delivered by the  
23 employees of a health maintenance organization under chapter 48.46  
24 RCW."

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28 On page 1, line 3 of the title, after "contractors;" strike the  
29 remainder of the title and insert "and amending RCW 48.14.0201."

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