
HOUSE BILL 2930

State of Washington

56th Legislature

2000 Regular Session

By Representatives Campbell, Pflug, Parlette, Mulliken, Pennington, Alexander, Schoesler, McDonald, Carrell, Delvin, Schindler, Esser, Ballasiotes, Skinner, Carlson, Cox, Koster, Sump, D. Schmidt, Lambert, Talcott, Bush, D. Sommers, B. Chandler, Woods, Cairnes, Barlean, McMorris, Ericksen, Boldt, Radcliff, Benson, Dunn, Mastin, Huff and G. Chandler

Read first time 01/24/2000. Referred to Committee on Health Care.

1 AN ACT Relating to medical savings accounts; adding a new section
2 to chapter 82.04 RCW; and adding a new chapter to Title 48 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The insurance commissioner shall
5 establish rules authorizing medical savings accounts for citizens of
6 Washington. Medical savings accounts may be offered as either
7 individual or group health plans. Contributions to a medical savings
8 account may be matched by an employer or made solely by the
9 beneficiary. Funds contributed to a medical savings account shall only
10 be used for health services to aid the beneficiary. The beneficiary
11 shall have total control over the choice of health care and use of the
12 medical savings account.

13 (2) Individuals contributing to a medical savings account shall be
14 covered by a catastrophic health plan established under section 2 of
15 this act.

16 NEW SECTION. **Sec. 2.** The insurance commissioner shall establish
17 a catastrophic health plan for individuals contributing to medical
18 savings accounts established under section 1 of this act. The

1 catastrophic health plan shall be limited to the coverage of serious
2 illnesses. The commissioner shall not prescribe a schedule of covered
3 health services, deductibles, or copayments. The individual seeking
4 catastrophic health plan coverage shall present proof of their medical
5 savings account prior to being accepted for catastrophic health plan
6 coverage.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW
8 to read as follows:

9 (1) There may be credited against the tax imposed by this chapter
10 any amount donated to the employee medical savings account as
11 authorized under section 1 of this act.

12 (2) The credits allowed under this section shall be equal to fifty
13 percent of the amount donated by the person or company subject to
14 taxation under this chapter. The total credits allowed under this
15 section shall not exceed twenty million dollars of credits each fiscal
16 year. Tax credits are available on a first-come basis. The department
17 shall keep a running total of all credits approved. If the amount
18 submitted for a credit will cause the cap to be exceeded for the fiscal
19 year, the department shall give a partial approval of the application,
20 equal to the amount of remaining credit available for the fiscal year.

21 (3) Application for credits under this section shall be made to the
22 department in a form and manner as required by the department. A
23 person receiving approval must keep records necessary for the
24 department to verify eligibility under this section. A person shall
25 apply for the credit after making the donation.

26 (4) A person qualifying for the credit must take the credit against
27 taxes due within two years of the date of qualification, or the credit
28 is no longer valid. Any unused excess credit may be carried forward to
29 future periods for a maximum of one year.

30 (5) The department shall allow accrual of tax credits to a
31 successor if the business or firm is sold, assigned, conveyed, or
32 otherwise transferred.

33 (6) No applicant is eligible for tax credits under this section in
34 excess of the amount of tax that would otherwise be due under this
35 chapter.

1 NEW SECTION. **Sec. 4.** Sections 1 and 2 of this act constitute a
2 new chapter in Title 48 RCW.

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