

# HOUSE BILL REPORT

## SB 5390

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### As Reported by House Committee On:

Finance

**Title:** An act relating to clarifying tax exemptions for sale or use of orthotic devices.

**Brief Description:** Clarifying tax exemptions for sale or use of orthotic devices.

**Sponsors:** By Senators Constantine, Winsley, Rossi, Fraser, Horn, Fairley, Thibaudeau, Honeyford, Kohl-Welles, Parlette, Prentice, T. Sheldon, Sheahan, Snyder and Rasmussen.

### Brief History:

#### Committee Activity:

Finance: 3/29/01 [DP].

#### Brief Summary of Bill

- The exemption from retail sales and use taxes on orthotics is extended to purchases under prescriptions made by licensed podiatrists.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 9 members: Representatives Cairnes, Republican Co-Chair; Morris, Democratic Co-Chair; Berkey, Democratic Vice Chair; Roach, Republican Vice Chair; Carrell, Conway, Santos, Van Luven and Veloria.

**Staff:** Mark Matteson (786-7145).

### Background:

The sales tax is paid on each retail sale of most articles of tangible personal property and certain services. Taxable services include construction, repair, telephone, lodging of less than 30 days, physical fitness, and some amusement and recreation services. The use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms.

Major items exempt from tax include food for human consumption, prescription drugs,

motor vehicle fuel, utility services, professional services (e.g. medical, legal), certain business services (e.g. accounting, engineering), and items that become a component part of another product for sale.

Dental appliances, prosthetic devices, orthotic devices, hearing instruments, ostomic items, and medically-prescribed oxygen are exempt from sales and use taxes. Orthotic devices are exempt only if they are prescribed by a chiropractor, an osteopath, or a physician.

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**Summary of Bill:**

Orthotic items prescribed by a podiatrist are exempt from sales and use tax.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.