

# FINAL BILL REPORT

## HB 1116

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Synopsis as Enacted

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

**Sponsors:** By Representatives Campbell, Cody, Carrell, Morris, Roach, Santos, Pennington, Conway, Romero, O'Brien, Hunt, Edmonds, Darneille, Veloria, Schual-Berke, Reardon, Lantz, Simpson, Cairnes, Dunshee, Dickerson, Alexander, Fromhold, D. Schmidt, Haigh and Jackley.

**House Committee on Finance**  
**Senate Committee on Ways & Means**

**Background:**

The retail sales tax applies to the selling price of tangible personal property and certain services purchased at retail. The tax is imposed at a 6.5 percent rate by the state. Local governments may impose local sales and use taxes for a variety of purposes. Local rates vary from 0.5 percent to 2.3 percent. Sales tax is paid by the purchaser and collected by the seller.

The use tax is imposed on items used in the state which were not subject to the retail sales tax, and includes purchases made in other states and purchases from sellers who do not collect Washington sales tax. The state and local rates are the same as those imposed under the retail sales tax. Use tax is paid directly to the Department of Revenue.

A sale of an orthotic device, or foot support, is exempt from state and local retail sales and use taxes, if the device is prescribed by a licensed chiropractor, osteopath, or physician. Sales of orthotic devices prescribed by licensed podiatrists are subject to the state and local retail sales and use taxes.

**Summary:**

Sales of orthotic devices prescribed by licensed podiatrists are exempt from state and local retail sales and use taxes.

**Votes on Final Passage:**

House 94 0  
Senate 48 0

**Effective:** April 19, 2001