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HOUSE BILL 2383

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State of Washington

57th Legislature

2002 Regular Session

By Representatives Berkey, Gombosky and Haigh; by request of Department of Revenue

Read first time 01/16/2002. Referred to Committee on Finance.

1 AN ACT Relating to tax exemptions for entities organized solely for  
2 the purposes of transplanting or replacing human blood, bone, or  
3 tissue; amending RCW 82.04.324; and creating a new section.

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

5 **Sec. 1.** RCW 82.04.324 and 1995 2nd sp.s. c 9 s 3 are each amended  
6 to read as follows:

7 (1) As used in this section:

8 (a) "Blood" includes human whole blood, plasma, blood derivatives,  
9 and related products.

10 (b) "Bone" includes human bone, bone marrow, and related products.

11 (c)(i) Before January 1, 2001, "tissue" includes human  
12 musculoskeletal tissue, musculoskeletal tissue derivatives, and related  
13 products.

14 (ii) On and after January 1, 2001, "tissue" includes human  
15 musculoskeletal tissue, musculoskeletal tissue derivatives, organs,  
16 body parts, and related products.

17 (d) "Blood, bone, or tissue bank" means an organization exempt from  
18 federal income tax under section 501(c)(3) of the federal internal  
19 revenue code, organized solely for the purpose of transplanting or

1 replacing human blood, bone, or tissue, and can include performing  
2 research on, procuring, testing, processing, storing, packaging,  
3 distributing, transporting, retrieving, or using blood, bone, or  
4 tissue, when those activities are integrally related to the  
5 transplanting or replacing of human blood, bone, or tissue.

6 (e) "Medical supplies" means any item of tangible personal  
7 property, including any repair and replacement parts for such tangible  
8 personal property, used by a blood, tissue, or bone bank for the  
9 purpose of performing research on, procuring, testing, processing,  
10 storing, packaging, distributing, or using blood, bone, or tissue. The  
11 term includes tangible personal property used to:

12 (i) Provide preparatory treatment of blood, bone, or tissue;

13 (ii) Control, guide, measure, tune, verify, align, regulate, test,  
14 or physically support blood, bone, or tissue; and

15 (iii) Protect the health and safety of employees or others present  
16 during research on, procuring, testing, processing, storing, packaging,  
17 distributing, or using blood, bone, or tissue.

18 (f) "Chemical" means any catalyst, solvent, water, acid, oil, or  
19 other additive that physically or chemically interacts with blood,  
20 bone, or tissue.

21 (g) "Materials" means any item of tangible personal property,  
22 including, but not limited to, bags, packs, collecting sets, filtering  
23 materials, testing reagents, antisera, and refrigerants used or  
24 consumed in performing research on, procuring, testing, processing,  
25 storing, packaging, distributing, or using blood, bone, or tissue.

26 (h) "Research" means basic and applied research that has as its  
27 objective the design, development, refinement, testing, marketing, or  
28 commercialization of a product, service, or process.

29 (2) This chapter does not apply to amounts received by blood, bone,  
30 or tissue banks, to the extent the amounts are exempt from federal  
31 income tax.

32 NEW SECTION. Sec. 2. The amendment to RCW 82.04.324(1)(d) by this  
33 act is a clarification of the original intent of the legislature and is  
34 retroactive. The remainder of this act is retroactive to January 1,  
35 2001.

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