

2732

Sponsor(s): Representatives Gombosky, Cairnes, Berkey, Nixon, Morris, Armstrong, Esser, Fromhold, Ogden, Conway, Hunt, Van Luven, Veloria, Romero, Reardon, Edwards, Chase, Morell, Santos, Kenney and Wood

Brief Description: Excluding government subsidized social welfare compensation from taxation.

HB 2732 - DIGEST

(DIGEST AS ENACTED)

Finds that the provision of health services to those people who receive federal or state subsidized health care benefits by reason of age, disability, or lack of income is a recognized, necessary, and vital governmental function.

Finds that it would be inconsistent with that governmental function to tax amounts received by a public hospital or nonprofit hospital qualifying as a health and social welfare organization, when the amounts are paid under a health service program subsidized by federal or state government.

Adopts this act to provide a clear and understandable deduction for these amounts, and to provide refunds for taxes paid as specified in this act.

Provides that a public hospital that is owned by a municipal corporation or political subdivision, or a nonprofit hospital that qualifies as a health and social welfare organization as defined in RCW 82.04.431, may deduct from the measure of tax amounts received as compensation for health care services covered under the federal medicare program authorized under Title XVIII of the federal social security act; medical assistance, children's health, or other program under chapter 74.09 RCW; or for the state of Washington basic health plan under chapter 70.47 RCW. The deduction authorized by this provision does not apply to amounts received from patient copayments or patient deductibles.

Provides that a public hospital owned by a municipal corporation or political subdivision, or a nonprofit hospital that qualifies as a health and social welfare organization under RCW 82.04.431, is entitled to: (1) A refund of business and occupation tax paid between January 1, 1998, and the effective date of this act on amounts that would be deductible under this act; and

(2) A waiver of tax liability for accrued, but unpaid taxes that would be deductible under this act.