

# SENATE BILL REPORT

## SB 5580

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 20, 2003

**Title:** An act relating to the tax treatment of boarding homes.

**Brief Description:** Clarifying that boarding homes are not subject to taxation under chapter 82.04 RCW.

**Sponsors:** Senators Winsley, Jacobsen, Carlson, Kastama, Rasmussen, Esser, Reardon, T. Sheldon, Haugen, Keiser, Doumit, Zarelli, Hargrove, Stevens, Mulliken and Shin.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/6/03, 2/20/03 [w/oRec-WM].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** That it be referred to Committee on Ways & Means without recommendation.

Signed by Senators Deccio, Chair; Winsley, Vice Chair; Brandland and Parlette.

**Staff:** Rhoda Donkin (786-7198)

**Background:** Boarding homes provide housing and services to elderly and disabled individuals in facilities that can accommodate seven or more unrelated persons. Current law exempts rental transactions from the state's business and occupation (B&O) tax, but services such as health care services are subject to B&O tax. Adult family homes, which provide care to six or fewer unrelated individuals, are explicitly exempt from B&O tax.

According to boarding home advocates, the imposition of B&O tax on boarding homes is inconsistently applied. They seek clarification that all such facilities should be exempt.

**Summary of Bill:** The Legislature clarifies that boarding homes are engaged in renting property and are exempt from business and occupation tax.

**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 2003.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** No one.

