SENATE BILL REPORT
SB 6623

As of February 01, 2006

Title: An act relating to business and occupation tax exemption for chemotherapy and anticancer drugs dispensed pursuant to prescription.

Brief Description: Creating a business and occupation tax exemption for chemotherapy and anticancer drugs dispensed pursuant to prescription.

Sponsors: Senators Prentice, Brandland, Parlette, Schoesler, Thibaudeau, Keiser, Oke, McAuliffe, Roach, Rasmussen and Shin.

Brief History:
Committee Activity: Ways & Means: 2/2/06.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: The business and occupation (B&O) tax is imposed on the gross receipts from all business activities conducted within the state. Revenues are deposited in the State General Fund. A business may have more than one B&O tax rate, depending on the types of activities conducted. There are a number of different B&O tax rates. The main rates are 0.471 percent for retailing; 0.484 percent for manufacturing, wholesaling, and extracting; and 1.5 percent for professional and personal services, including physician services.

Public hospitals, nonprofit hospitals, and nonprofit community health centers are allowed a deduction from B&O tax on amounts received as compensation for health care services covered under the federal Medicare program, as well as from the Basic Health Plan and other medical assistance programs funded by the state of Washington. Amounts billed for these programs by other clinics or physicians are not exempt from tax.

Summary of Bill: An exemption from B&O tax is provided for amounts derived from sales of prescription chemotherapy and anticancer drugs for infusion or injection for human use, if the drugs are sold for an amount not exceeding the rate at or below which the federal government reimburses under Medicare.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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