
Ways & Means Committee

HB 2102

Brief Description: Restoring funding to in-home care services.

Sponsors: Representatives Pettigrew, Reykdal, Sullivan, Appleton, Van De Wege, Upthegrove, Ormsby, Fitzgibbon, Jinkins, Lytton, Billig, Green, Liias, Dunshee, Roberts, Moscoso, Sells, Eddy, Hasegawa, Hunt and Kenney.

Brief Summary of Bill

- Provides additional funding for in-home care services by extending sales taxes to debt collection services and repealing the nonresident sales tax exemption.

Hearing Date: 4/21/11

Staff: Jeffrey Mitchell (786-7139).

Background:

Retail sales and use taxes are imposed by the state, cities, and counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the property, digital products, or services were acquired by the user, then use taxes apply to the value of most tangible personal property, digital products, and some services when used in this state.

A sales tax exemption is allowed to residents of a state, possession, or Canadian province that does not impose a retail sales tax or use tax of 3 percent or more on purchases of goods for use outside the state. The exemption does not apply to items or services consumed in the state such as hotel stays or meals at restaurants. Retailers are not required to make tax exempt sales to qualifying nonresidents. A vendor may choose to collect sales tax on purchases made by qualifying nonresidents or to sell merchandise tax free.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Department of Social and Health Services' (DSHS) Aging and Disability Services provides publicly funded personal care to approximately 48,000 eligible clients who are elderly or have developmental disabilities and live in their own home. Personal care services include assistance with various tasks such as dressing, housekeeping, toileting, bathing, ambulating, and meal preparation. Personal care hours are authorized according to client acuity and are based on a needs assessment using the Comprehensive Assessment Reporting Evaluation (CARE) tool. There are 17 classifications for which a client may be assessed and authorized for base hours of in-home personal care services. These hours may be adjusted based on whether or not a client has informal supports, changes in their living environment (such as if a client moves to a rural setting that does not have access to essential services), and for changes in client acuity. Authorized hours range on average from 25 hours per month to 382 hours per month. In current law, personal care service benefits are provided to the extent funding is available and according to the assessed level of functional disability determined by the CARE tool.

There are two types of referenda: the referendum bill and the referendum measure. The primary purpose of both is to give voters an opportunity to approve or reject laws either proposed or enacted by the Legislature. Referendum measures are laws recently passed by the Legislature that are placed on the ballot because of petitions signed by voters. Referendum bills are proposed laws referred to the electorate by the Legislature.

Summary of Bill:

A referendum bill is submitted to the voters voting in the 2011 general election. The referendum bill would make the following changes:

1. The nonresident sales tax exemption is repealed.
2. State and local sales taxes are extended to debt collection services, such as account collections, bill collections, repossession, and other services related to debt collection.
3. The in-home classification system that determines the level of functional disability and hours of personal care service would be based solely upon medical need. The calculations for base hours for in-home care and adjustments to those hours would become law rather than administrative rule. The base hours and adjustments for hours would be set at those that were in administrative rule (WAC 388-106-0125) prior to December 1, 2010.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 30 days after the November general election if the bill is approved by the voters.