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**HOUSE BILL 2999**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Representative Pike

AN ACT Relating to improving the availability and accuracy of advanced breast cancer screening through targeted tax incentives for advanced digital imaging technologies; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new section to chapter 70.14 RCW; creating new sections; and providing expiration dates.

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

NEW SECTION. **Sec.**  (1) According to the American college of radiology, full-field digital mammography offers advantages over film screen mammography, including rapid and reliable electronic storage and retrieval of images, easy image transfer to other facilities, and simplification of quality control. Digital breast tomosynthesis is a new digital technology for breast cancer screening that provides improved cancer detection over full-field digital mammography. Evidence from studies of digital breast tomosynthesis shows higher cancer detection rates and fewer patient recalls for additional testing. The legislature finds that the manufacture of this important, potentially life-saving technology is occurring in Washington state, and that lowering the cost to end-users would widen the availability of digital breast tomosynthesis technology. Therefore, the legislature intends to provide targeted tax incentives for digital breast tomosynthesis technology.

(2)(a) This subsection is the tax preference performance statement for the tax exemption contained in sections 2 and 3 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes this tax preference as one that is intended to improve health outcomes for women and to provide tax relief for certain businesses, as indicated in RCW 82.32.808(2) (e) and (f).

(c) It is the legislature's specific public policy objective to widen the availability and utilization of advanced digital imaging technology used in mammography and, in particular, digital breast tomosynthesis imaging technology, by providing a sales and use tax exemption that will lower the cost of adopting this technology.

(d) If a review finds that purchases of digital breast tomosynthesis imaging technology have increased in Washington state, and that the technology remains more accurate in breast cancer detection than traditional forms of screening, then the legislature intends to extend the expiration of the tax preference.

(e) In order to obtain the data necessary to perform the review in (d) of this subsection, the joint legislative audit and review committee may refer to: (i) Taxpayer return data as reported to the department of revenue under section 2 of this act; (ii) information on the cost-effectiveness and efficacy of digital breast tomosynthesis compared to other breast cancer screening techniques as reported by the Washington state health care authority under section 4 of this act; and (iii) any other data or sources that the joint legislative audit and review committee may deem necessary to complete its review of the preference.

NEW SECTION. **Sec.**  A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of digital breast tomosynthesis, or to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving digital breast tomosynthesis.

(2) The department must establish a unique reporting code for the exemptions in this section and section 3 of this act for use by the seller as part of the seller's regular tax reporting obligations under chapter 82.32 RCW.

(3) For the purposes of this section, "digital breast tomosynthesis" means any technology, including a device, machine, machine parts, or computer software, that uses modified digital mammography equipment to obtain high-resolution, limited-angle, radiographic data used to reconstruct cross-sectional images of breast tissue for the purposes of breast cancer screening, diagnosis, and intervention, and that was approved by the United States food and drug administration on or after February 11, 2011.

(4) This section expires July 1, 2026.

NEW SECTION. **Sec.**  A new section is added to chapter 82.12 RCW to read as follows:

(1) The tax levied by RCW 82.12.020 does not apply to the use of digital breast tomosynthesis, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving digital breast tomosynthesis.

(2) For purposes of this section, the conditions and definition in section 2 of this act apply to this section.

(3) This section expires July 1, 2026.

NEW SECTION. **Sec.**  A new section is added to chapter 70.14 RCW to read as follows:

(1) The administrator must select the health technology digital breast tomosynthesis for review by the committee by July 1, 2024.

(2) The committee must complete its review and determination by July 1, 2025. The review must include information on the efficacy and cost-effectiveness of digital breast tomosynthesis as a means of breast cancer screening. The committee must make available its review to the joint legislative audit and review committee for the purposes of evaluating the tax preference under sections 2 and 3 of this act.

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Administrator," "committee," and "health technology" have the same definitions as in RCW 70.14.080.

(b) "Digital breast tomosynthesis" has the same meaning as in section 2 of this act.

(4) This section expires July 1, 2026.

NEW SECTION. **Sec.**  This act applies to sales or uses on or after July 1, 2016.

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