
SENATE BILL 6615

State of Washington

65th Legislature

2018 Regular Session

By Senator O'Ban

Read first time 02/20/18. Referred to Committee on Ways & Means.

1 AN ACT Relating to the taxation of accountable communities of
2 health; adding a new section to chapter 82.04 RCW; creating a new
3 section; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** This section is the tax preference
6 performance statement for the tax preference contained in section 2,
7 chapter . . . , Laws of 2018 (section 2 of this act). The performance
8 statement is only intended to be used for subsequent evaluation of
9 the tax preference. It is not intended to create a private right of
10 action by any party or be used to determine eligibility for
11 preferential tax treatment.

12 (1) The legislature categorizes this tax preference as one
13 intended to reduce structural inefficiencies in the tax structure
14 under RCW 82.32.808(2)(d).

15 (2) The legislature acknowledges the importance of accountable
16 communities of health under RCW 41.05.800 in aligning actions to
17 achieve healthy communities and populations, improving health care
18 quality, and lowering costs. It is the legislature's intent to remedy
19 inconsistencies in the tax structure by allowing accountable
20 communities of health to deduct certain funds as amounts subject to
21 business and occupation tax in order to ensure accountable

1 communities of health receive tax relief similar to other nonprofit
2 or public-private health care organizations.

3 (3) To measure the effectiveness of the tax preference in this
4 act in achieving the public policy objectives described in subsection
5 (2) of this section, the joint legislative audit and review committee
6 must evaluate the tax preference in section 2, chapter . . . , Laws of
7 2018 (section 2 of this act) with consideration of the budget
8 neutrality and cost-effectiveness objectives as defined in the
9 approved federal innovation waiver.

10 (4) In order to obtain the data necessary to perform the review
11 in subsection (3) of this section, the health care authority and
12 accountable communities of health must provide data needed for the
13 joint legislative audit and review committee analysis. In addition to
14 the data source described under this subsection, the joint
15 legislative audit and review committee may use any other data it
16 deems necessary.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
18 RCW to read as follows:

19 (1) An accountable community of health may deduct from the
20 measure of tax amounts received as delivery system reform incentive
21 payments under the federal medicaid program as authorized by Title
22 XIX of the federal social security act.

23 (2) For the purpose of this section, "accountable community of
24 health" means an entity designated by the health care authority as a
25 community of health under RCW 41.05.800 and any additional
26 accountable communities of health authorized by the health care
27 authority as part of its federal innovation waiver.

28 (3) This section expires January 1, 2024.

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