H-2144.1

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**SUBSTITUTE HOUSE BILL 1483**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Finance (originally sponsored by Representative Young)

AN ACT Relating to extending the business and occupation deduction for government-funded behavioral health services; reenacting and amending RCW 82.04.4277 and 82.04.4277; creating a new section; providing a contingent effective date; providing a contingent expiration date; and providing expiration dates.

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

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preferences contained in sections 2 and 3, chapter . . ., Laws of 2019 (sections 2 and 3 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes these tax preferences as ones intended to reduce taxes so more money can go directly to behavioral health services, as indicated in RCW 82.32.808(2)(f).

(3) It is the legislature's specific public policy objective to support behavioral health services that can prevent more serious and costly health issues.

(4) If a review finds that the amount of funding available for behavioral health services by these taxpayers increased, then the legislature intends to extend the expiration date of these tax preferences.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

**Sec.**  RCW 82.04.4277 and 2017 c 323 s 528 and 2017 c 135 s 14 are each reenacted and amended to read as follows:

(1) A health or social welfare organization may deduct from the measure of tax amounts received as compensation for providing mental health services or chemical dependency services under a government-funded program.

(2) A behavioral health organization or a behavioral health administrative services organization may deduct from the measure of tax amounts received from the state of Washington for distribution to a health or social welfare organization that is eligible to deduct the distribution under subsection (1) of this section.

(3) A person claiming a deduction under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

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

(a) "Behavioral health administrative services organization" means an entity contracted with the health care authority to administer behavior health services and programs, including crisis services and administration of chapter 70.05 RCW, the involuntary treatment act, for all individuals in a defined regional service area.

(b) "Behavioral health organization" has the same meaning as provided in RCW 71.24.025.

(c) "Chemical dependency" has the same meaning as provided in RCW 70.96A.020 through March 31, 2018, and the same meaning as provided in RCW 71.05.020 beginning April 1, 2018.

((~~(b)~~)) (d) "Health or social welfare organization" has the meaning provided in RCW 82.04.431.

((~~(c)~~)) (e) "Mental health services" ((~~and "behavioral health organization" have~~)) has the meaning((~~s~~)) as provided in RCW 71.24.025.

(5) This section expires January 1, ((~~2020~~)) 2025.

**Sec.**  RCW 82.04.4277 and 2017 c 323 s 528 and 2017 C 135 s 14 are each reenacted and amended to read as follows:

(1) A health or social welfare organization may deduct from the measure of tax amounts received as compensation for providing mental health services or chemical dependency services under a government-funded program.

(2) A behavioral health administrative services organization may deduct from the measure of tax amounts received from the state of Washington for distribution to a health or social welfare organization that is eligible to deduct the distribution under subsection (1) of this section.

(3) A person claiming a deduction under this section must file a complete annual tax performance report with the department under RCW 82.32.534.

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

(a) "Behavioral health administrative services organization" has the same meaning as provided in RCW 71.24.025.

(b) "Chemical dependency" has the same meaning as provided in RCW 70.96A.020 through March 31, 2018, and the same meaning as provided in RCW 71.05.020 beginning April 1, 2018.

((~~(b)~~)) (c) "Health or social welfare organization" has the meaning provided in RCW 82.04.431.

((~~(c)~~)) (d) "Mental health services" and "behavioral health organization" have the meanings provided in RCW 71.24.025.

(5) This section expires January 1, ((~~2020~~)) 2025.

NEW SECTION. **Sec.**  Section 3 of this act takes effect January 1, 2020, if House Bill No. 1393 takes effect.

NEW SECTION. **Sec.**  Section 2 of this act expires on the date that section 3 of this act takes effect.

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