
HOUSE BILL 2030

State of Washington

66th Legislature

2019 Regular Session

By Representative Doglio

1 AN ACT Relating to providing a business and occupation tax
2 exemption for pure pharmacies; adding a new section to chapter 82.04
3 RCW; creating new sections; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that pure
6 pharmacies provide a special function by providing medication to
7 clients with chronic illnesses that are homebound. These clients
8 often rely on pure pharmacies for their daily survival.

9 (2) The legislature finds that because many clients who battle
10 chronic illnesses are often insured through medicaid or medicare, the
11 reimbursement rate for these life-saving medications can be less than
12 what these small pharmacies pay to buy and dispense these drugs.
13 Additionally, although their operations are based in one city, these
14 pure pharmacies often transport medication to numerous jurisdictions,
15 making them subject to business and occupation taxes in numerous
16 jurisdictions.

17 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
18 performance statement for the tax preference contained in this act.
19 This performance statement is only intended to be used for subsequent
20 evaluation of the tax preference. It is not intended to create a

1 private right of action by any part or be used to determine
2 eligibility for preferential tax treatment.

3 (2) The legislature categorizes this tax preference as one
4 intended to provide tax relief for certain businesses as indicated in
5 RCW 82.32.808(2)(e).

6 (3) It is the legislature's specific public policy objective to
7 provide tax relief to pharmacies that exclusively sell prescription
8 medication, otherwise known as "pure pharmacies." If a review finds
9 that the number of pure pharmacies qualifying for the exemption has
10 increased or stayed the same, then the legislature intends to extend
11 the expiration date of this tax preference.

12 (4) In order to obtain the data necessary to perform the review
13 in subsection (3) of this section, the joint legislative audit and
14 review committee may refer to the department of revenue's data.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04
16 RCW to read as follows:

17 (1) This chapter does not apply to retail sales of prescription
18 drugs by a pure pharmacy with five or fewer full-time employees.

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

21 (a) "Full-time employee" means an employee who works a normal
22 workweek of at least thirty-five hours.

23 (b) "Pure pharmacy" means a retail pharmacy licensed under
24 chapter 18.64 RCW that has their total income derived exclusively
25 from the sale of prescription drugs that are exempt under RCW
26 82.08.0281(1) and no other goods or services.

27 (3) This section expires January 1, 2030.

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