
SENATE BILL 5637

State of Washington

66th Legislature

2019 Regular Session

By Senators Brown, Becker, Rivers, Bailey, Warnick, Fortunato, and Honeyford

1 AN ACT Relating to providing tax relief to entities that deliver
2 behavioral health and mental health services; reenacting and amending
3 RCW 82.04.4277; creating new sections; and providing an expiration
4 date.

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

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

13 (2) The legislature categorizes this tax preference as one
14 intended to induce certain behavior by taxpayers, create certain
15 jobs, and provide tax relief to certain businesses as indicated in
16 RCW 82.32.808(2) (a), (c), and (e).

17 (3) It is the legislature's specific public policy objective to
18 increase the number of mental health and behavioral health
19 professionals in the workforce. It is the legislature's intent to
20 reduce the amount of tax paid by certain entities for providing
21 behavioral health services and for training new mental health and

1 chemical dependency professionals, in order to increase the amount of
2 government funding available for patient services and supervised
3 training for new mental health and behavioral health professionals.

4 (4) If a review finds that the number of credentialed and
5 licensed behavioral health professionals has increased, the
6 legislature intends to extend the expiration date of the tax
7 preference.

8 (5) In order to obtain the data necessary to perform the review
9 in subsection (4) of this section, the joint legislative audit and
10 review committee may refer to data from the department of health, the
11 department of employment security, and the office of financial
12 management.

13 **Sec. 2.** RCW 82.04.4277 and 2017 c 323 s 528 and 2017 c 135 s 14
14 are each reenacted and amended to read as follows:

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

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

23 (3) An organization qualifying for a deduction under subsection
24 (1) or (2) of this section, a hospital as defined in RCW 70.41.020,
25 or an establishment as defined in RCW 71.12.455, that provides
26 supervised training necessary for a degree or certificate as a mental
27 health professional or chemical dependency professional may deduct up
28 to ten dollars per training hour per trainee from the measure of tax
29 amounts received from the state of Washington.

30 (4) A person claiming a deduction under this section must file a
31 complete annual tax performance report with the department under RCW
32 82.32.534, which must also include the number of trainee hours
33 provided for each type of degree or certification. Trainee hour data
34 is not confidential tax information under RCW 82.32.330 and is
35 subject to disclosure.

36 ~~((4))~~ (5) The definitions in this subsection apply throughout
37 this section unless the context clearly requires otherwise.

38 (a) "Certificate" means any credential required by the department
39 of health, or other authorizing agency, in order to perform duties as

1 required or to become licensed as a mental health professional or
2 chemical dependency professional.

3 (b) "Chemical dependency" has the same meaning as provided in RCW
4 70.96A.020 through March 31, 2018, and the same meaning as provided
5 in RCW 71.05.020 beginning April 1, 2018.

6 ~~((b))~~ (c) "Chemical dependency professional" has the meaning as
7 provided in RCW 71.05.020.

8 (d) "Degree" has the meaning as provided in RCW 28B.85.010.

9 (e) "Health or social welfare organization" has the meaning
10 provided in RCW 82.04.431.

11 ~~((e))~~ (f) "Mental health professional" has the meaning provided
12 in RCW 71.05.020.

13 (g) "Mental health services" and "behavioral health organization"
14 have the meanings provided in RCW 71.24.025.

15 ~~((5))~~ (6) This section expires January 1, ~~((2020))~~ 2024.

16 NEW SECTION. **Sec. 3.** The automatic expiration date provisions
17 of RCW 82.32.805(1) (a) do not apply to this act.

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