

Amendment 5a to CB 119250 – Exemption for Hospitals (Bagshaw)

On page 7, after line 18, amend the subsection as shown below:

" 5.37.050 Exemptions from the employee hours tax

A. The following are exempt from the employee hour tax:

1. Any business having taxable gross income under Chapter 5.45 of \$20,000,000 or less in the most recent complete calendar year.
2. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:
 - a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.
 - b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.
 - c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.
 - d. Federal and state government agencies and subdivisions.
3. Non-profit organizations as defined in Section 5.30.040.
4. Hospitals as defined in RCW 70.41.020.
5. Businesses engaged primarily in the provision of healthcare services and that provide at least 25% of their services to patients covered by Medicare and Medicaid, as measured by the charges for those services."

On page 11, after line 10, amend the subsection as shown below:

" 5.38.050 Exemptions from the business payroll tax

A. The following are exempt from the business payroll tax:

1. Any business having taxable gross income under Chapter 5.45 of \$20,000,000 or less in the most recent complete calendar year.
2. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:
 - a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.
 - b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.
 - c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.
 - d. Federal and state government agencies and subdivisions.
3. Non-profit organizations as defined in Section 5.30.040.
4. Hospitals as defined in RCW 70.41.020.
5. Businesses engaged primarily in the provision of healthcare services and that provide at least 25% of their services to patients covered by Medicare and Medicaid, as measured by the charges for those services."

Renumber sections and correct any internal references accordingly.

Effect: This amendment would provide an exemption from both the employee hours tax and the business payroll tax to hospitals and to other healthcare providers that provide at least 25% of their services to patients covered by Medicare and Medicaid.