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**HOUSE BILL 2843**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Representatives Maycumber, Schmick, Chapman, Springer, DeBolt, Walsh, Chambers, Harris, Kretz, and Caldier

1 AN ACT Relating to providing premium tax relief to health  
2 carriers offering coverage in certain counties; amending RCW  
3 48.14.022; creating a new section; and providing an expiration date.

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

5 **Sec. 1.** RCW 48.14.022 and 1995 c 304 s 1 are each amended to  
6 read as follows:

7 (1) The taxes imposed in RCW 48.14.020 and 48.14.0201 do not  
8 apply to (~~premiums~~):

9 (a) Premiums and prepayments collected or received for policies  
10 of insurance issued under RCW 48.41.010 through 48.41.210; or

11 (b) Premiums collected or received for all individual market  
12 health plans issued by a health carrier within a behavioral health  
13 administrative services organization if:

14 (i) The behavioral health administrative services organization  
15 includes at least one county in which two or fewer health carriers  
16 offered individual market health plans on January 1, 2020; and

17 (ii) The health carrier offers individual market health plans in  
18 every county within the behavioral health administrative services  
19 organization.

20 (2) In computing tax due under RCW 48.14.020 and 48.14.0201,  
21 there may be deducted from taxable premiums and prepayments the

1 amount of any assessment against the taxpayer under RCW 48.41.010  
2 through 48.41.210. Any portion of the deduction allowed in this  
3 section which cannot be deducted in a tax year without reducing  
4 taxable premiums below zero may be carried forward and deducted in  
5 successive years until the deduction is exhausted.

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

8 (a) "Health plan" and "health carrier" have the same meanings as  
9 in RCW 48.43.005.

10 (b) "Behavioral health administrative services organization" has  
11 the same meaning as in RCW 71.24.025.

12 NEW SECTION. Sec. 2. (1) This section is the tax preference  
13 performance statement for the tax preference contained in section 1,  
14 chapter . . ., Laws of 2020 (section 1 of this act). This performance  
15 statement is only intended to be used for subsequent evaluation of  
16 the tax preference. It is not intended to create a private right of  
17 action by any party or be used to determine eligibility for  
18 preferential tax treatment.

19 (2) The legislature categorizes this tax preference as one  
20 intended to improve industry competitiveness, as indicated in RCW  
21 82.32.808(2)(b).

22 (3) It is the legislature's specific public policy objective to  
23 increase competition for individual market health insurance in  
24 certain behavioral health administrative services organizations and  
25 encourage health carriers to offer individual market health plans in  
26 unserved or underserved areas.

27 (4) If a review finds that the number of individual market health  
28 insurance options in counties described in section 1(1)(b)(i),  
29 chapter . . ., Laws of 2020 (section 1(1)(b)(i) of this act) has  
30 increased as compared to the number of options available in these  
31 counties on the effective date of this section, then the legislature  
32 intends to extend the expiration date of this tax preference.

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

1        NEW SECTION.    **Sec. 3.**    Section 1 of this act expires June 30,  
2    2030.

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