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HOUSE BILL 2999

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State of Washington

64th Legislature

2016 Regular Session

By Representative Pike

Read first time 02/26/16. Referred to Committee on Finance.

1 AN ACT Relating to improving the availability and accuracy of  
2 advanced breast cancer screening through targeted tax incentives for  
3 advanced digital imaging technologies; adding a new section to  
4 chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding  
5 a new section to chapter 70.14 RCW; creating new sections; and  
6 providing expiration dates.

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

8 NEW SECTION. **Sec. 1.** (1) According to the American college of  
9 radiology, full-field digital mammography offers advantages over film  
10 screen mammography, including rapid and reliable electronic storage  
11 and retrieval of images, easy image transfer to other facilities, and  
12 simplification of quality control. Digital breast tomosynthesis is a  
13 new digital technology for breast cancer screening that provides  
14 improved cancer detection over full-field digital mammography.  
15 Evidence from studies of digital breast tomosynthesis shows higher  
16 cancer detection rates and fewer patient recalls for additional  
17 testing. The legislature finds that the manufacture of this  
18 important, potentially life-saving technology is occurring in  
19 Washington state, and that lowering the cost to end-users would widen  
20 the availability of digital breast tomosynthesis technology.

1 Therefore, the legislature intends to provide targeted tax incentives  
2 for digital breast tomosynthesis technology.

3 (2)(a) This subsection is the tax preference performance  
4 statement for the tax exemption contained in sections 2 and 3 of this  
5 act. This performance statement is only intended to be used for  
6 subsequent evaluation of the tax preference. It is not intended to  
7 create a private right of action by any party or be used to determine  
8 eligibility for preferential tax treatment.

9 (b) The legislature categorizes this tax preference as one that  
10 is intended to improve health outcomes for women and to provide tax  
11 relief for certain businesses, as indicated in RCW 82.32.808(2) (e)  
12 and (f).

13 (c) It is the legislature's specific public policy objective to  
14 widen the availability and utilization of advanced digital imaging  
15 technology used in mammography and, in particular, digital breast  
16 tomosynthesis imaging technology, by providing a sales and use tax  
17 exemption that will lower the cost of adopting this technology.

18 (d) If a review finds that purchases of digital breast  
19 tomosynthesis imaging technology have increased in Washington state,  
20 and that the technology remains more accurate in breast cancer  
21 detection than traditional forms of screening, then the legislature  
22 intends to extend the expiration of the tax preference.

23 (e) In order to obtain the data necessary to perform the review  
24 in (d) of this subsection, the joint legislative audit and review  
25 committee may refer to: (i) Taxpayer return data as reported to the  
26 department of revenue under section 2 of this act; (ii) information  
27 on the cost-effectiveness and efficacy of digital breast  
28 tomosynthesis compared to other breast cancer screening techniques as  
29 reported by the Washington state health care authority under section  
30 4 of this act; and (iii) any other data or sources that the joint  
31 legislative audit and review committee may deem necessary to complete  
32 its review of the preference.

33 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08  
34 RCW to read as follows:

35 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
36 digital breast tomosynthesis, or to sales of or charges made for  
37 labor and services rendered in respect to installing, repairing,  
38 cleaning, altering, or improving digital breast tomosynthesis.

1 (2) The department must establish a unique reporting code for the  
2 exemptions in this section and section 3 of this act for use by the  
3 seller as part of the seller's regular tax reporting obligations  
4 under chapter 82.32 RCW.

5 (3) For the purposes of this section, "digital breast  
6 tomosynthesis" means any technology, including a device, machine,  
7 machine parts, or computer software, that uses modified digital  
8 mammography equipment to obtain high-resolution, limited-angle,  
9 radiographic data used to reconstruct cross-sectional images of  
10 breast tissue for the purposes of breast cancer screening, diagnosis,  
11 and intervention, and that was approved by the United States food and  
12 drug administration on or after February 11, 2011.

13 (4) This section expires July 1, 2026.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12  
15 RCW to read as follows:

16 (1) The tax levied by RCW 82.12.020 does not apply to the use of  
17 digital breast tomosynthesis, or to the use of labor and services  
18 rendered in respect to installing, repairing, cleaning, altering, or  
19 improving digital breast tomosynthesis.

20 (2) For purposes of this section, the conditions and definition  
21 in section 2 of this act apply to this section.

22 (3) This section expires July 1, 2026.

23 NEW SECTION. **Sec. 4.** A new section is added to chapter 70.14  
24 RCW to read as follows:

25 (1) The administrator must select the health technology digital  
26 breast tomosynthesis for review by the committee by July 1, 2024.

27 (2) The committee must complete its review and determination by  
28 July 1, 2025. The review must include information on the efficacy and  
29 cost-effectiveness of digital breast tomosynthesis as a means of  
30 breast cancer screening. The committee must make available its review  
31 to the joint legislative audit and review committee for the purposes  
32 of evaluating the tax preference under sections 2 and 3 of this act.

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

35 (a) "Administrator," "committee," and "health technology" have  
36 the same definitions as in RCW 70.14.080.

37 (b) "Digital breast tomosynthesis" has the same meaning as in  
38 section 2 of this act.

1           (4) This section expires July 1, 2026.

2           NEW SECTION.   **Sec. 5.**   This act applies to sales or uses on or  
3 after July 1, 2016.

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