

**WAC 388-835-0510 What is the depreciation base of a tangible asset?** (1) The depreciation base of a tangible asset is the asset's historical cost at the time it is acquired by the provider in an arm's length transaction:

(a) Plus the cost of preparing the asset for use;

(b) Less the asset's estimated salvage value, if any, where the straight-line or sum-of-the-years digits methods of depreciation is used;

(c) Less any goodwill; and

(d) Less any accumulated depreciation incurred during periods the asset was used by the provider personally or in another business.

(2) When depreciable assets are acquired from a related organization, the provider's depreciation base cannot exceed the base the related organization had or would have had under a contract with DSHS.

[Statutory Authority: RCW 71A.20.140. WSR 01-10-013, § 388-835-0510, filed 4/20/01, effective 5/21/01.]