

SPECIAL NOTICE

May 5, 2006

For further information contact:

Telephone Information Center
1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715
Teletype 1-800-451-7985

Hospital Safe Patient Handling B&O Tax Credit

Engrossed House Bill (EHB) 1672 (Chapter 165, Laws of 2006) requires hospitals to develop and implement safe patient handling programs in an effort to reduce health care worker injury rates and to promote patient safety. As part of this effort, a business and occupation (B&O) tax credit is available to hospitals that purchase mechanical lifting devices and other equipment used primarily to minimize patient handling, consistent with the safe patient handling program. This law takes effect June 7, 2006.

The B&O tax credit is equal to 100 percent of the amount spent for mechanical lifting devices and other equipment used to minimize patient handling **purchased between June 7, 2006 and December 30, 2010**. However, the credit is limited to a lifetime maximum of \$1,000 for each available acute care inpatient bed in the hospital. For example, if a hospital has 14 acute care beds, it has a maximum available B&O tax credit of \$14,000.

No application is necessary to take the credit, but hospitals must maintain records to verify their eligibility. To claim the credit, hospitals must complete the *Hospital Safe Patient Handling B&O Credit Worksheet* (attached) and send it with each tax return upon which the credit is taken.

The credits are available on a first-come, first-served basis. Hospitals may carry unused credits over to subsequent reporting periods until they use the maximum credit they are allowed. No refunds will be granted.

The annual (calendar year) statewide credit limit is \$10 million. If the annual statewide limit is reached, eligible hospitals will be notified in writing that no further credits may be taken until January 1 of the following calendar year.

The credit is only available to "hospitals" as defined in RCW 70.41.020. The following are **specifically excluded** from the definition:

- Psychiatric hospitals or hospitals specifically intended to diagnose and care for persons suffering from mental illness, convulsive disorders, or other abnormal mental conditions.
- Clinics or physicians' offices that do not regularly keep bed patients for 24 hours or more.
- Birthing centers.
- Nursing homes, assisted living centers, or boarding homes.
- State mental hospitals.

If you have questions regarding developing and implementing your **safe patient handling program or qualifying mechanical lifting devices or equipment**, contact Byron Plan with the Department of Health at (360) 236-2916 or Byron.Plan@doh.wa.gov.

For more information about calculating or taking your **B&O tax credit**, please contact our Telephone Information Center at 1-800-647-7706.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.