

ALERT!!! – LEGISLATURE SET TO PASS COSMETIC SURGERY TAX!!!

What we have feared throughout this legislative session has happened – Representative Ross Hunter (*D – 48th District*) has proposed (**HB 3191**) removing the current sales tax exemption for cosmetic surgery procedures as part of the wide-ranging House plan for “revenue enhancements” seeking to close the \$2.8 billion budget shortfall. This proposal will:

- Impose sales tax on cosmetic surgery procedures.
 - *These procedures are defined as those “directed at improving the individual's appearance and that is not medically necessary to promote the proper function of the body or prevent or treat physical illness or disease.”*
- Impose sales tax on services related to cosmetic surgery procedures, including:
 - *Tax on “occupancy of medical facilities” and*
 - *Anesthesia services.*

Needless to say, this tax unfairly targets a select group, could possibly interfere with procedures which are truly reconstructive in nature, would increase the cost of having cosmetic surgery procedures, and would likely drive away business. Further, the bill sets a bad precedent, paving the way for taxes to be levied on medical services of all kinds.

This is a call to action for all WASCA members, but especially those centers providing any services related to cosmetic surgery. ***Please contact the key representatives on the House Committee on Finance, who voted for this proposal on March 2, 2010, as well as your local representatives who will be voting on the measure on the House floor, to express your strong opposition to the cosmetic surgery tax in HB 3191!***

Here are some important points to make to the representatives you contact:

- **New Jersey's Dismal Experience**
 - A tax on cosmetic surgery procedures has been tried and failed in New Jersey.
 - *Indeed the sponsor of the original legislation is now trying to rescind it!*
 - Revenues were far less than projected. (\$7 million compared to projected \$26 million)
 - *In fact, for every \$1 collected in cosmetic surgery tax, New Jersey LOST \$3.39 in total state revenue!*
 - Confusion in differentiating cosmetic from reconstructive procedures.
 - Lost Revenue – Tax drives patients to have surgery in adjacent states.
 - Difficulty in collecting taxes.
- **Other Concerns**
 - HIPAA privacy concerns – especially with state audits.
 - *Patient privacy would be violated if auditors had access to patient records to determine if their procedure was cosmetic or reconstructive.*
 - A cosmetic surgery tax discriminates against women.

- This tax unfairly targets the middle class.
- Physicians should not be placed in the role as tax collector.
- **American Medical Association Opposes Taxes on Physician Services**
 - The AMA House of Delegates Policy H-385-925 states the AMA strongly opposes selective revenue taxes on physicians' services.

The following representatives are on the House Committee on Finance:

House Committee on Finance

Ross Hunter (Chair) (D)	(360)786-7936	hunter.ross@leg.wa.gov
Bob Hasegawa (D)	(360)786-7862	hasegawa.bob@leg.wa.gov
Steve Conway (D)	(360)786-7906	conway.steve@leg.wa.gov
Mark Ericks (D)	(360)786-7900	ericks.mark@leg.wa.gov
Sharon Tomiko Santos (D)	(360)786-7944	santos.sharon@leg.wa.gov
Larry Springer (D)	(360)786-7822	springer.larry@leg.wa.gov
Ed Orcutt (R)	(360)786-7812	
Kevin Parker (R)	(360)786-7922	
Cary Condotta (R)	(360)786-7954	

You can find your local representative here: <http://apps.leg.wa.gov/DistrictFinder/Default.aspx> .

THE TIME TO ACT IS NOW!!!