



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

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September 14, 2021

TO: Keenan Konopaski, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: Christie Spice, Acting Assistant Secretary *Christie Spice*
Health Systems Quality Assurance Division

SUBJECT: JLARC Report of the Medical Cannabis Tax Preference Review

The Department of Health (department) has reviewed the Joint Legislative Audit and Review Committee's (JLARC) report of the 2021 tax preference performance reviews. We appreciate the thorough analysis of JLARC and the detailed review provided by the Citizen Commission for Performance Measurement of Tax Preferences. The state of Washington must maintain a fair and equitable tax system and continual reviews of tax preferences are critical to ensure equity is maintained.

We concur with the recommendations JLARC made to the Legislature to continue the preferences because they provide tax relief to medical cannabis patients. We also concur with the recommendation that the Department of Health and the Department of Revenue update guidance to reflect the 2019 statutory changes. The department is in the process of issuing an interpretive statement to clarify that "compliant product" for purposes of RCW 82.08.9888(1)(a) and 82.12.9998(1)(a) refers to any cannabis products that may be "beneficial for medical use." The department will amend chapter 246-70 WAC to further clarify this requirement.

Thank you for the opportunity to review and provide comment on this JLARC report.

cc: Kristina White, Internal Auditor, Department of Health
Martin Pittioni, Director, Office of Health Professions, Department of Health
Blake Maresh, Deputy Director, Office of Health Professions, Department of Health
Allyson Clayborn, Program Manager, Office of Health Professions, Department of Health