

SHB 1102 - S COMM AMD
By Committee on Ways & Means

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 84.36.383 and 2006 c 62 s 1 are each amended to read
4 as follows:

5 As used in RCW 84.36.381 through 84.36.389, except where the
6 context clearly indicates a different meaning:

7 (1) The term "residence" means a single family dwelling unit
8 whether such unit be separate or part of a multiunit dwelling,
9 including the land on which such dwelling stands not to exceed one
10 acre, except that a residence includes any additional property up to a
11 total of five acres that comprises the residential parcel if this
12 larger parcel size is required under land use regulations. The term
13 shall also include a share ownership in a cooperative housing
14 association, corporation, or partnership if the person claiming
15 exemption can establish that his or her share represents the specific
16 unit or portion of such structure in which he or she resides. The term
17 shall also include a single family dwelling situated upon lands the fee
18 of which is vested in the United States or any instrumentality thereof
19 including an Indian tribe or in the state of Washington, and
20 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
21 residence shall be deemed real property.

22 (2) The term "real property" shall also include a mobile home which
23 has substantially lost its identity as a mobile unit by virtue of its
24 being fixed in location upon land owned or leased by the owner of the
25 mobile home and placed on a foundation (posts or blocks) with fixed
26 pipe, connections with sewer, water, or other utilities. A mobile home
27 located on land leased by the owner of the mobile home is subject, for
28 tax billing, payment, and collection purposes, only to the personal
29 property provisions of chapter 84.56 RCW and RCW 84.60.040.

30 (3) "Department" means the state department of revenue.

1 (4) "Combined disposable income" means the disposable income of the
2 person claiming the exemption, plus the disposable income of his or her
3 spouse, and the disposable income of each cotenant occupying the
4 residence for the assessment year, less amounts paid by the person
5 claiming the exemption or his or her spouse during the assessment year
6 for:

7 (a) Drugs supplied by prescription of a medical practitioner
8 authorized by the laws of this state or another jurisdiction to issue
9 prescriptions;

10 (b) The treatment or care of either person received in the home or
11 in a nursing home, boarding home, or adult family home; and

12 (c) Health care insurance premiums for medicare under Title XVIII
13 of the social security act.

14 (5) "Disposable income" means adjusted gross income as defined in
15 the federal internal revenue code, as amended prior to January 1, 1989,
16 or such subsequent date as the director may provide by rule consistent
17 with the purpose of this section, plus all of the following items to
18 the extent they are not included in or have been deducted from adjusted
19 gross income:

20 (a) Capital gains, other than gain excluded from income under
21 section 121 of the federal internal revenue code to the extent it is
22 reinvested in a new principal residence;

23 (b) Amounts deducted for loss;

24 (c) Amounts deducted for depreciation;

25 (d) Pension and annuity receipts;

26 (e) Military pay and benefits other than attendant-care and
27 medical-aid payments;

28 (f) Veterans benefits, other than:

29 (i) Attendant-care ((and)) payments;

30 (ii) Medical-aid payments;

31 (iii) Disability compensation, as defined in Title 38, part 3,
32 section 3.4 of the code of federal regulations, as of January 1, 2007;
33 and

34 (iv) Dependency and indemnity compensation, as defined in Title 38,
35 part 3, section 3.5 of the code of federal regulations, as of January
36 1, 2007;

37 (g) Federal social security act and railroad retirement benefits;

38 (h) Dividend receipts; and

1 (i) Interest received on state and municipal bonds.

2 (6) "Cotenant" means a person who resides with the person claiming
3 the exemption and who has an ownership interest in the residence.

4 (7) "Disability" has the same meaning as provided in 42 U.S.C. Sec.
5 423(d)(1)(A) as amended prior to January 1, 2004, or such subsequent
6 date as the director may provide by rule consistent with the purpose of
7 this section.

8 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
9 collection in 2008 and thereafter."

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10 On page 1, line 2 of the title, after "duties;" strike the
11 remainder of the title and insert "amending RCW 84.36.383; and creating
12 a new section."

EFFECT: Removes the new income threshold of \$70,000 or less for veterans with service-connected total disabilities to qualify for the senior property tax exemption program. The income thresholds under current law will apply. The calculation of "disposable income" will not include disability compensation and other special monthly compensation that are veterans' benefits as defined in the Code of Federal Regulations.

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