

SENATE BILL REPORT

SB 5310

AS PASSED SENATE, MARCH 1, 1991

**Brief Description:** Limiting actions to enforce tax liability for other states' income tax.

**SPONSORS:** Senators L. Smith, Bauer, Barr, Sutherland, Saling, Craswell, McCaslin and Johnson.

**SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS**

**Majority Report:** Do pass.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; Matson, and Sutherland.

**Staff:** Rod McAulay (786-7754)

**Hearing Dates:** February 5, 1991; February 7, 1991

**BACKGROUND:**

Washington residents who formerly worked in another state which imposes an income tax on their pension or retirement benefits continue to be liable for such taxes. They can be sued for such taxes even though they no longer use the taxing state's services, participate in its elections, or take advantage of tax exemptions or credits available to its residents. By statute, Washington permits other states to sue Washington residents in Washington courts to collect taxes.

**SUMMARY:**

It is the policy of this state to ensure the well-being of its citizens by protecting them from income tax imposed by other states on their retirement income. The courts of this state shall not recognize claims for income taxes by other states imposed on pension or other retirement benefits.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

Would halt, at the threshold, legal action to collect income taxes on pensions imposed by other states on Washington residents.

**TESTIMONY AGAINST:** None

**TESTIFIED:** No one

