
SUBSTITUTE SENATE BILL 5309

State of Washington

52nd Legislature

1991 Regular Session

By Senate Committee on Governmental Operations (originally sponsored by Senators L. Smith, Bauer, Barr, Sutherland, Saling, McMullen, Craswell, McCaslin and Johnson).

Read first time February 4, 1991.

1 AN ACT Relating to exemptions and enforcement of judgments for
2 state income taxes on pension and retirement income; amending RCW
3 6.13.030 and 4.24.141; adding a new section to chapter 6.15 RCW; and
4 creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature recognizes that retired
7 persons generally are financially dependent on fixed pension or
8 retirement benefits and passive income from investment property.
9 Because of this dependency, retired persons are more vulnerable than
10 others to inflation and depletion of their assets. It is the purpose
11 of this act to increase the protection of income of retired persons
12 residing in the state of Washington from collection of income taxes
13 imposed by other states.

1 **Sec. 2.** RCW 6.13.030 and 1987 c 442 s 203 are each amended to read
2 as follows:

3 A homestead may consist of lands, as described in RCW 6.13.010,
4 regardless of area, but the homestead exemption amount shall not exceed
5 the lesser of ~~((+i))~~ (1) the total net value of the lands, mobile
6 home, and improvements as described in RCW 6.13.010, or ~~((+ii))~~ (2)
7 the sum of thirty thousand dollars, except where the homestead is
8 subject to execution, attachment, or seizure by or under any legal
9 process whatever to satisfy a judgment in favor of any other state for
10 failure to pay that state's income tax on benefits received while a
11 resident of the state of Washington from a pension or other retirement
12 plan, in which event there shall be no dollar limit on the value of the
13 exemption.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 6.15 RCW
15 to read as follows:

16 Where a judgment is in favor of any other state for failure to pay
17 that state's income tax on benefits received while a resident of the
18 state of Washington from a pension or other retirement plan, all
19 property in this state, real or personal, tangible or intangible, of a
20 judgment debtor shall be exempt from execution, attachment,
21 garnishment, or seizure by or under any legal process whatever, and
22 when a debtor dies, or absconds, and leaves his or her spouse and
23 dependents any property exempted by this section, the same shall be
24 exempt to the surviving spouse and dependents.

25 **Sec. 4.** RCW 4.24.141 and 1951 c 166 s 2 are each amended to read
26 as follows:

27 The term "taxes" as used in RCW 4.24.140 shall include:

1 (1) Any and all tax assessments lawfully made whether they be based
2 upon a return or other disclosure of the taxpayer, upon information and
3 belief of the taxing authority, or otherwise;

4 (2) Any and all penalties lawfully imposed pursuant to a tax
5 statute;

6 (3) Interest charges lawfully added to the tax liability which
7 constitutes the subject of the action.

8 "Taxes" as used in RCW 4.24.140 does not include income taxes and
9 any related interest or penalties on benefits received from a pension
10 or other retirement plan.