

2 **SHB 2425** - S COMM AMD  
3 By Committee on Ways & Means

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 "**Sec. 1.** RCW 84.36.381 and 1993 c 178 s 1 are each amended to read  
8 as follows:

9 A person shall be exempt from any legal obligation to pay all or a  
10 portion of the amount of excess and regular real property taxes due and  
11 payable in the year following the year in which a claim is filed, and  
12 thereafter, in accordance with the following:

13 (1) The property taxes must have been imposed upon a residence  
14 which was occupied by the person claiming the exemption as a principal  
15 place of residence as of (~~January 1st of the year for which the~~  
16 ~~exemption is claimed~~) the time of filing: PROVIDED, That any person  
17 who sells, transfers, or is displaced from his or her residence may  
18 transfer his or her exemption status to a replacement residence, but no  
19 claimant shall receive an exemption on more than one residence in any  
20 year: PROVIDED FURTHER, That confinement of the person to a hospital  
21 or nursing home shall not disqualify the claim of exemption if:

22 (a) The residence is temporarily unoccupied;

23 (b) The residence is occupied by a spouse and/or a person  
24 financially dependent on the claimant for support; or

25 (c) The residence is rented for the purpose of paying nursing home  
26 or hospital costs;

27 (2) The person claiming the exemption must have owned, at the time  
28 of filing, in fee, as a life estate, or by contract purchase, the  
29 residence on which the property taxes have been imposed or if the  
30 person claiming the exemption lives in a cooperative housing  
31 association, corporation, or partnership, such person must own a share  
32 therein representing the unit or portion of the structure in which he  
33 or she resides. For purposes of this subsection, a residence owned by  
34 a marital community or owned by cotenants shall be deemed to be owned  
35 by each spouse or cotenant, and any lease for life shall be deemed a  
36 life estate;

1 (3) The person claiming the exemption must be sixty-one years of  
2 age or older on December 31st of the year in which the exemption claim  
3 is filed, or must have been, at the time of filing, retired from  
4 regular gainful employment by reason of physical disability: PROVIDED,  
5 That any surviving spouse of a person who was receiving an exemption at  
6 the time of the person's death shall qualify if the surviving spouse is  
7 fifty-seven years of age or older and otherwise meets the requirements  
8 of this section;

9 (4) The amount that the person shall be exempt from an obligation  
10 to pay shall be calculated on the basis of combined disposable income,  
11 as defined in RCW 84.36.383. If the person claiming the exemption was  
12 retired for two months or more of the (~~preceding~~) assessment year,  
13 the combined disposable income of such person shall be calculated by  
14 multiplying the average monthly combined disposable income of such  
15 person during the months such person was retired by twelve. If the  
16 income of the person claiming exemption is reduced for two or more  
17 months of the (~~preceding~~) assessment year by reason of the death of  
18 the person's spouse, or when other substantial changes occur in  
19 disposable income that are likely to continue for an indefinite period  
20 of time, the combined disposable income of such person shall be  
21 calculated by multiplying the average monthly combined disposable  
22 income of such person after (~~the death of the spouse~~) such  
23 occurrences by twelve. If it is necessary to estimate income to comply  
24 with this subsection, the assessor may require confirming documentation  
25 of such income prior to May 31 of the year following application.

26 (5)(a) A person who otherwise qualifies under this section and has  
27 a combined disposable income of twenty-six thousand dollars or less  
28 shall be exempt from all excess property taxes; and

29 (b)(i) A person who otherwise qualifies under this section and has  
30 a combined disposable income of eighteen thousand dollars or less but  
31 greater than fifteen thousand dollars shall be exempt from all regular  
32 property taxes on the greater of thirty thousand dollars or thirty  
33 percent of the valuation of his or her residence, but not to exceed  
34 fifty thousand dollars of the valuation of his or her residence; or

35 (ii) A person who otherwise qualifies under this section and has a  
36 combined disposable income of fifteen thousand dollars or less shall be  
37 exempt from all regular property taxes on the greater of thirty-four  
38 thousand dollars or fifty percent of the valuation of his or her  
39 residence.

1       **Sec. 2.** RCW 84.36.383 and 1991 c 213 s 4 are each amended to read  
2 as follows:

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

5       (1) The term "residence" shall mean a single family dwelling unit  
6 whether such unit be separate or part of a multiunit dwelling,  
7 including the land on which such dwelling stands not to exceed one  
8 acre. The term shall also include a share ownership in a cooperative  
9 housing association, corporation, or partnership if the person claiming  
10 exemption can establish that his or her share represents the specific  
11 unit or portion of such structure in which he or she resides. The term  
12 shall also include a single family dwelling situated upon lands the fee  
13 of which is vested in the United States or any instrumentality thereof  
14 including an Indian tribe or in the state of Washington, and  
15 notwithstanding the provisions of RCW 84.04.080(~~(7)~~) and 84.04.090 (~~(or~~  
16 ~~84.40.250)~~), such a residence shall be deemed real property.

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

26       (3) (~~The term "preceding calendar year" shall mean the calendar~~  
27 ~~year preceding the year in which the claim for exemption is to be made.~~

28       ~~(4)~~) "Department" shall mean the state department of revenue.

29       (~~(5)~~) (4) "Combined disposable income" means the disposable  
30 income of the person claiming the exemption, plus the disposable income  
31 of his or her spouse, and the disposable income of each cotenant  
32 occupying the residence for the (~~(preceding calendar)~~) assessment year,  
33 less amounts paid by the person claiming the exemption or his or her  
34 spouse during the (~~(previous)~~) assessment year for the treatment or  
35 care of either person received in the home or in a nursing home.

36       (~~(6)~~) (5) "Disposable income" means adjusted gross income as  
37 defined in the federal internal revenue code, as amended prior to  
38 January 1, 1989, or such subsequent date as the director may provide by  
39 rule consistent with the purpose of this section, plus all of the

1 following items to the extent they are not included in or have been  
2 deducted from adjusted gross income:

3 (a) Capital gains, other than nonrecognized gain on the sale of a  
4 principal residence under section 1034 of the federal internal revenue  
5 code, or gain excluded from income under section 121 of the federal  
6 internal revenue code to the extent it is reinvested in a new principal  
7 residence;

8 (b) Amounts deducted for loss;

9 (c) Amounts deducted for depreciation;

10 (d) Pension and annuity receipts;

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

13 (f) Veterans benefits other than attendant-care and medical-aid  
14 payments;

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

16 (h) Dividend receipts; and

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

18 ((+7)) (6) "Cotenant" means a person who resides with the person  
19 claiming the exemption and who has an ownership interest in the  
20 residence.

21 NEW SECTION. **Sec. 3.** This act is effective for taxes levied for  
22 collection in 1995 and thereafter."

23 **SHB 2425** - S COMM AMD  
24 By Committee on Ways & Means

25

26 On page 1, line 2 of the title, after "work;" strike the remainder  
27 of the title and insert "amending RCW 84.36.381 and 84.36.383; and  
28 creating a new section."

--- END ---