

2 SHB 2451 - H AMD 882

3 By Representative Dunshee

4

5 On page 2, after line 2, insert the following:

6 "NEW SECTION. **Sec. 2.** A new section is added to chapter 84.52 RCW  
7 to read as follows:

8 (1) There is allowed a credit against the state regular real  
9 property tax equal to the tax imposed on the first sixty-two thousand  
10 dollars of assessed valuation of owner-occupied residential property,  
11 multiplied by the indicated ratio fixed by the state department of  
12 revenue. The credit in any tax year shall not exceed the amount of  
13 state property tax imposed on the property.

14 (2) The credit in this section is in addition to any other property  
15 tax relief that may be provided by law.

16 (3) The following conditions apply to credit under this section:

17 (a) The residence must be occupied by the person claiming the  
18 credit as a principal place of residence as of January 1st of the year  
19 in which taxes are due. A person who sells, transfers, or is displaced  
20 from the person's residence may transfer the person's credit status to  
21 a replacement residence, but a claimant may not receive a credit on  
22 more than one residence in any year. Confinement of the person to a  
23 hospital or nursing home does not disqualify the claim of credit if:

24 (i) The residence is temporarily unoccupied;

25 (ii) The residence is occupied by either or both a spouse or a  
26 person financially dependent on the claimant for support; or

27 (iii) The residence is rented for the purpose of paying nursing  
28 home or hospital costs.

29 (b) The person claiming the credit must have owned, at the time of  
30 filing, in fee, as a life estate, or by contract purchase, the  
31 residence on which the property taxes have been imposed or if the  
32 person claiming the credit lives in a cooperative housing association,  
33 corporation, or partnership, the person must own a share therein  
34 representing the unit or portion of the structure in which the person  
35 resides. For purposes of this subsection, a residence owned by a

1 marital community or owned by cotenants is deemed to be owned by each  
2 spouse or cotenant, and any lease for life is deemed a life estate.

3 (4) RCW 84.36.383, 84.36.385, 84.36.387, and 84.36.389 apply to  
4 this section.

5 **Sec. 3.** RCW 84.52.080 and 1989 c 378 s 16 are each amended to read  
6 as follows:

7 (1) The county assessor shall extend the taxes upon the tax rolls  
8 in the form herein prescribed. The rate percent necessary to raise the  
9 amounts of taxes levied for state and county purposes, and for purposes  
10 of taxing districts coextensive with the county, shall be computed upon  
11 the assessed value of the property of the county; the rate percent  
12 necessary to raise the amount of taxes levied for any taxing district  
13 within the county shall be computed upon the assessed value of the  
14 property of the district; all taxes assessed against any property shall  
15 be added together and extended on the rolls in a column headed  
16 consolidated or total tax. In extending any tax, whenever it amounts  
17 to a fractional part of a cent greater than five mills it shall be made  
18 one cent, and whenever it amounts to five mills or less than five mills  
19 it shall be dropped. The amount of all taxes shall be entered in the  
20 proper columns, as shown by entering the rate percent necessary to  
21 raise the consolidated or total tax and the total tax assessed against  
22 the property.

23 (2) After entering the amounts under subsection (1) of this  
24 section, the county assessor shall compute the amount of credit  
25 authorized under section 2 of this act for each parcel of property.  
26 The credit allowed for any property shall be extended on the rolls in  
27 a column headed tax credit. The county treasurer shall subtract the  
28 amount of the credit from the total tax and enter this amount in a  
29 column headed tax payable.

30 (3) For the purpose of computing the rate necessary to raise the  
31 amount of any excess levy in a taxing district which has classified or  
32 designated forest land under chapter 84.33 RCW, other than the state,  
33 the county assessor shall add the district's timber assessed value, as  
34 defined in RCW 84.33.035, to the assessed value of the property:  
35 PROVIDED, That for school districts maintenance and operations levies  
36 only one-half of the district's timber assessed value or eighty percent  
37 of the timber roll of such district in calendar year 1983 as determined  
38 under chapter 84.33 RCW, whichever is greater, shall be added.



1 treasurer's tax rolls or duplicate tax receipts of any preceding year  
2 as the payer of the tax last paid on the property in question.

3 **Sec. 5.** RCW 84.36.383 and 1995 1st sp.s. c 8 s 2 are each amended  
4 to read as follows:

5 As used in RCW 84.36.381 through 84.36.389 and section 2 of this  
6 act, except where the context clearly indicates a different meaning:

7 (1) The term "residence" shall mean 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. The term shall also include a share ownership in a cooperative  
11 housing association, corporation, or partnership if the person claiming  
12 exemption can establish that his or her share represents the specific  
13 unit or portion of such structure in which he or she resides. The term  
14 shall also include a single family dwelling situated upon lands the fee  
15 of which is vested in the United States or any instrumentality thereof  
16 including an Indian tribe or in the state of Washington, and  
17 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a  
18 residence shall be deemed real property.

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

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

29 (4) "Combined disposable income" means the disposable income of the  
30 person claiming the exemption, plus the disposable income of his or her  
31 spouse, and the disposable income of each cotenant occupying the  
32 residence for the assessment year, less amounts paid by the person  
33 claiming the exemption or his or her spouse during the assessment year  
34 for:

35 (a) Drugs supplied by prescription of a medical practitioner  
36 authorized by the laws of this state or another jurisdiction to issue  
37 prescriptions; and

1 (b) The treatment or care of either person received in the home or  
2 in a nursing home.

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

9 (a) Capital gains, other than nonrecognized gain on the sale of a  
10 principal residence under section 1034 of the federal internal revenue  
11 code, or gain excluded from income under section 121 of the federal  
12 internal revenue code to the extent it is reinvested in a new principal  
13 residence;

14 (b) Amounts deducted for loss;

15 (c) Amounts deducted for depreciation;

16 (d) Pension and annuity receipts;

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

19 (f) Veterans benefits other than attendant-care and medical-aid  
20 payments;

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

22 (h) Dividend receipts; and

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

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

26 **Sec. 6.** RCW 84.36.385 and 1992 c 206 s 13 are each amended to read  
27 as follows:

28 (1) A claim for exemption under RCW 84.36.381 (~~(as now or hereafter~~  
29 ~~amended,~~) or a credit under section 2 of this act shall be made and  
30 filed at any time during the year for exemption or credit from taxes  
31 payable the following year and thereafter and solely upon forms as  
32 prescribed (~~(and furnished)~~) by the department of revenue. However, an  
33 exemption from tax under RCW 84.36.381 shall continue for no more than  
34 four years unless a renewal application is filed as provided in  
35 subsection (3) of this section. The county assessor may also require,  
36 by written notice, a renewal application following an amendment of the  
37 income requirements set forth in RCW 84.36.381. Renewal applications  
38 shall be on forms prescribed and furnished by the department of

1 revenue. A credit under section 2 of this act shall continue each year  
2 as long as the residence is eligible for credit.

3 (2) A person granted an exemption under RCW 84.36.381 or a credit  
4 under section 2 of this act shall inform the county assessor of any  
5 change in status affecting ~~((the person's))~~ entitlement to the  
6 exemption or credit on forms prescribed and furnished by the department  
7 of revenue.

8 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and  
9 thereafter, shall file with the county assessor a renewal application  
10 not later than December 31 of the year the assessor notifies such  
11 person of the requirement to file the renewal application.

12 (4) Beginning in 1992 and in each of the three succeeding years,  
13 the county assessor shall notify approximately one-fourth of those  
14 persons exempt from taxes under RCW 84.36.381 in the current year who  
15 have not filed a renewal application within the previous four years, of  
16 the requirement to file a renewal application.

17 (5) If the assessor finds that the applicant does not meet the  
18 qualifications as set forth in RCW 84.36.381(~~(, as now or hereafter~~  
19 ~~amended))~~ or section 2 of this act, the claim or exemption shall be  
20 denied but such denial shall be subject to appeal under the provisions  
21 of RCW 84.48.010(5). If the applicant had received exemption or credit  
22 in prior years based on erroneous information, the taxes shall be  
23 collected subject to penalties as provided in RCW 84.40.130 for a  
24 period of not to exceed three years.

25 (6) The department and each local assessor is hereby directed to  
26 publicize the qualifications and manner of making claims under RCW  
27 84.36.381 through 84.36.389 and section 2 of this act, through  
28 communications media, including such paid advertisements or notices as  
29 it deems appropriate. Notice of the qualifications, method of making  
30 applications, the penalties for not reporting a change in status, and  
31 availability of further information shall be included on or with  
32 property tax statements and revaluation notices for all residential  
33 property including mobile homes, except rental properties.

34 **Sec. 7.** RCW 84.36.387 and 1992 c 206 s 14 are each amended to read  
35 as follows:

36 (1) All claims for exemption under RCW 84.36.381 or a credit under  
37 section 2 of this act shall be made and signed by the person entitled  
38 to the exemption or credit, by his or her attorney in fact or in the

1 event the residence of such person is under mortgage or purchase  
2 contract requiring accumulation of reserves out of which the holder of  
3 the mortgage or contract is required to pay real estate taxes, by such  
4 holder or by the owner, either before two witnesses or the county  
5 assessor or his or her deputy in the county where the real property is  
6 located: PROVIDED, That if a claim for exemption or credit is made by  
7 a person living in a cooperative housing association, corporation, or  
8 partnership, such claim shall be made and signed by the person entitled  
9 to the exemption or credit and by the authorized agent of such  
10 cooperative.

11 (2) If the taxpayer is unable to submit his or her own claim, the  
12 claim shall be submitted by a duly authorized agent or by a guardian or  
13 other person charged with the care of the person or property of such  
14 taxpayer.

15 (3) All claims for exemption and renewal applications under RCW  
16 84.36.381 shall be accompanied by such documented verification of  
17 income as shall be prescribed by rule adopted by the department of  
18 revenue.

19 (4) Any person signing a false claim with the intent to defraud or  
20 evade the payment of any tax shall be guilty of the offense of perjury.

21 (5) The tax liability of a cooperative housing association,  
22 corporation, or partnership shall be reduced by the amount of tax  
23 exemption or credit to which a claimant residing therein is entitled  
24 and such cooperative shall reduce any amount owed by the claimant to  
25 the cooperative by such exact amount of tax exemption or credit or, if  
26 no amount be owed, the cooperative shall make payment to the claimant  
27 of such exact amount of exemption or credit.

28 (6) A remainderman or other person who would have otherwise paid  
29 the tax on real property that is the subject of an exemption granted  
30 under RCW 84.36.381 or a credit granted under section 2 of this act for  
31 an estate for life shall reduce the amount which would have been  
32 payable by the life tenant to the remainderman or other person to the  
33 extent of the exemption or credit. If no amount is owed or separately  
34 stated as an obligation between these persons, the remainderman or  
35 other person shall make payment to the life tenant in the exact amount  
36 of the exemption or credit.

37 **Sec. 8.** RCW 84.36.389 and 1979 ex.s. c 214 s 4 are each amended to  
38 read as follows:

1 (1) The director of the department of revenue shall adopt such  
2 rules (~~and regulations~~) and prescribe such forms as may be necessary  
3 and appropriate for implementation and administration of this chapter  
4 subject to chapter 34.05 RCW, the administrative procedure act.

5 (2) The department may conduct such audits of the administration of  
6 RCW 84.36.381 through 84.36.389 and section 2 of this act and the  
7 claims for exemption or credit filed thereunder as it considers  
8 necessary. The powers of the department under chapter 84.08 RCW apply  
9 to these audits.

10 (3) Any information or facts concerning confidential income data  
11 obtained by the assessor or the department, or their agents or  
12 employees, under subsection (2) of this section shall be used only to  
13 administer RCW 84.36.381 through 84.36.389. Notwithstanding any  
14 provision of law to the contrary, absent written consent by the person  
15 about whom the information or facts have been obtained, the  
16 confidential income data shall not be disclosed by the assessor or the  
17 assessor's agents or employees to anyone other than the department or  
18 the department's agents or employees nor by the department or the  
19 department's agents or employees to anyone other than the assessor or  
20 the assessor's agents or employees except in a judicial proceeding  
21 pertaining to the taxpayer's entitlement to the tax exemption under RCW  
22 84.36.381 through 84.36.389 or credit under section 2 of this act. Any  
23 violation of this subsection is a misdemeanor.

24 NEW SECTION. **Sec. 9.** If any provision of this act or its  
25 application to any person or circumstance is held invalid, the  
26 remainder of the act or the application of the provision to other  
27 persons or circumstances is not affected."

28 Correct the title.

29 EFFECT: Provides for a homestead exemption for property taxes.

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