**Washington State**
**House of Representatives**
**Office of Program Research**

# BILL ANALYSIS

# Finance Committee

# HB 2665

**Brief Description:** Authorizing domestic partner eligibility under the senior citizen property tax exemption program.

**Sponsors:** Representatives Moeller, Jarrett, Ruderman, Santos, Chase, Upthegrove, Darneille, Cody, Clibborn, Lovick, Murray, McDermott, Hunt, Simpson, G., Kenney, McIntire, Romero, Edwards, Kagi and Schual-Berke.

**Brief Summary of Bill**

- Allows a surviving domestic partner of a person receiving the senior citizen and disabled persons property tax relief program to qualify for the program if the surviving domestic partner is 57 or older.

**Hearing Date:** 1/30/04

**Staff:** Rick Peterson (786-7150).

**Background:**

Some senior citizens and persons retired due to disability are entitled to property tax relief on their principal residences and up to 1 acre of their homesite. To qualify, a person must be 61 in the year of application or retired from employment because of a physical disability, own his or her principal residence, and have a disposable income of less than $30,000 a year. A surviving spouse of a person receiving the exemption is eligible if the surviving spouse is 57 or older. Persons meeting these criteria are entitled to partial property tax exemptions and a valuation freeze. Eligible persons of age 60 with incomes less than $34,000 may defer taxes.

Disposable income is defined as the sum of federally defined adjusted gross income and the following, if not already included: capital gains; deductions for loss; depreciation; pensions and annuities; military pay and benefits; veterans' benefits except attendant-care and medical-aid payments; Social Security and federal railroad retirement benefits; dividends; and interest income. Payments for the care of either spouse received in the home or in a nursing home and payments for prescription drugs are deducted in determining disposable income.

Partial exemptions for senior citizens and persons retired due to disability are provided as follows:

A. If the income is $24,001 to $30,000, all excess levies are exempted;

B. If the income level is $18,001 to $24,000, all excess levies and regular levies on the greater of $40,000 or 35 percent of assessed valuation ($60,000 maximum) are exempted; and
C. If the income level is $18,000 or less, all excess levies and regular levies on the greater of $50,000 or 60 percent of assessed valuation are exempted.

In addition to the partial exemptions listed above, the valuation of the residence of an eligible senior citizen or disabled person is frozen at the assessed value of the residence on the later of January 1, 1995, or January 1 of the assessment year a person first qualifies for the program.

**Summary of Bill:**

A surviving domestic partner of a person receiving the senior citizen and disabled persons property tax relief program is eligible for the program if the surviving domestic partner is 57 or older.

Domestic partners will provide an affidavit to the Department of Revenue stating that the taxpayer is participating in a domestic partnership, the taxpayer and the domestic partner share the same regular and permanent residence, have a close personal relationship, have agreed to be jointly responsible for basic living expenses incurred during the domestic partnership, are not married to anyone, are each eighteen years of age or older, are not related to each other by blood closer than would bar marriage in this state, were mentally competent to consent to contract when their domestic partnership began, and are each other's sole domestic partner and are responsible for each other's common welfare.

This change first applies to property taxes due for collection in 2005.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2004.