
HOUSE BILL 1942

State of Washington

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By Representatives Billig, Liias, Takko, Moscoso, Probst, Finn, Rolfes, Hasegawa, Ormsby, Frockt, and Kenney

Read first time 02/11/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to the disposable income calculation for property
2 tax relief programs for low-income, disabled, and retired persons;
3 amending RCW 84.36.383; and creating a new section.

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

5 **Sec. 1.** RCW 84.36.383 and 2010 c 106 s 307 are each amended to
6 read as follows:

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

9 (1) The term "residence" means a single family dwelling unit
10 whether such unit be separate or part of a multiunit dwelling,
11 including the land on which such dwelling stands not to exceed one
12 acre, except that a residence includes any additional property up to a
13 total of five acres that comprises the residential parcel if this
14 larger parcel size is required under land use regulations. The term
15 also includes a share ownership in a cooperative housing association,
16 corporation, or partnership if the person claiming exemption can
17 establish that his or her share represents the specific unit or portion
18 of such structure in which he or she resides. The term also includes
19 a single family dwelling situated upon lands the fee of which is vested

1 in the United States or any instrumentality thereof including an Indian
2 tribe or in the state of Washington, and notwithstanding the provisions
3 of RCW 84.04.080 and 84.04.090, such a residence is deemed real
4 property.

5 (2) The term "real property" also includes a mobile home which has
6 substantially lost its identity as a mobile unit by virtue of its being
7 fixed in location upon land owned or leased by the owner of the mobile
8 home and placed on a foundation (posts or blocks) with fixed pipe,
9 connections with sewer, water, or other utilities. A mobile home
10 located on land leased by the owner of the mobile home is subject, for
11 tax billing, payment, and collection purposes, only to the personal
12 property provisions of chapter 84.56 RCW and RCW 84.60.040.

13 (3) "Department" means the state department of revenue.

14 (4) "Combined disposable income" means the disposable income of the
15 person claiming the exemption, plus the disposable income of his or her
16 spouse or domestic partner, and the disposable income of each cotenant
17 occupying the residence for the assessment year, less amounts paid by
18 the person claiming the exemption or his or her spouse or domestic
19 partner during the assessment year for:

20 (a) Drugs supplied by prescription of a medical practitioner
21 authorized by the laws of this state or another jurisdiction to issue
22 prescriptions;

23 (b) The treatment or care of either person received in the home or
24 in a nursing home, boarding home, or adult family home; and

25 (c) Health care insurance premiums for medicare under Title XVIII
26 of the social security act and medigap or medicare supplement insurance
27 premiums.

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

34 (a) Capital gains, other than gain excluded from income under
35 section 121 of the federal internal revenue code to the extent it is
36 reinvested in a new principal residence;

37 (b) Amounts deducted for loss;

38 (c) Amounts deducted for depreciation;

1 (d) Pension and annuity receipts;
2 (e) Military pay and benefits other than attendant-care and
3 medical-aid payments;
4 (f) Veterans benefits, other than:
5 (i) Attendant-care payments;
6 (ii) Medical-aid payments;
7 (iii) Disability compensation, as defined in Title 38, part 3,
8 section 3.4 of the code of federal regulations, as of January 1, 2008;
9 and
10 (iv) Dependency and indemnity compensation, as defined in Title 38,
11 part 3, section 3.5 of the code of federal regulations, as of January
12 1, 2008;
13 (g) Federal social security act and railroad retirement benefits;
14 however, social security act disability benefits are not included;
15 (h) Dividend receipts; and
16 (i) Interest received on state and municipal bonds.
17 (6) "Cotenant" means a person who resides with the person claiming
18 the exemption and who has an ownership interest in the residence.
19 (7) "Disability" has the same meaning as provided in 42 U.S.C. Sec.
20 423(d)(1)(A) as amended prior to January 1, 2005, or such subsequent
21 date as the department may provide by rule consistent with the purpose
22 of this section.

23 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
24 collection in 2012 and thereafter.

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