
HOUSE BILL 1765

State of Washington

66th Legislature

2019 Regular Session

By Representatives Wylie, Pollet, and Frame

Read first time 01/30/19. Referred to Committee on Finance.

1 AN ACT Relating to medical deductions for calculating disposable
2 income; amending RCW 84.36.383; and creating a new section.

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

4 **Sec. 1.** RCW 84.36.383 and 2012 c 10 s 74 are each amended to
5 read as follows:

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

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

1 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
2 residence is deemed real property.

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

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

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

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

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

25 (c) Health care insurance premiums for (~~medicare under Title~~
26 ~~XVIII of the social security act~~) health care coverage, including
27 dental coverage, vision coverage, copayments, and for medicare under
28 Title XVIII of the social security act;

29 (d) Durable medical equipment, mobility enhancing equipment,
30 prosthetic devices, and medically prescribed oxygen as defined in RCW
31 82.08.0283;

32 (e) Alterations made to the residence to accommodate or install
33 medical equipment; and

34 (f) Long-term care insurance, as defined in RCW 48.84.020.

35 (5) "Disposable income" means adjusted gross income as defined in
36 the federal internal revenue code, as amended prior to January 1,
37 1989, or such subsequent date as the director may provide by rule
38 consistent with the purpose of this section, plus all of the
39 following items to the extent they are not included in or have been
40 deducted from adjusted gross income:

- 1 (a) Capital gains, other than gain excluded from income under
2 section 121 of the federal internal revenue code to the extent it is
3 reinvested in a new principal residence;
- 4 (b) Amounts deducted for loss;
- 5 (c) Amounts deducted for depreciation;
- 6 (d) Pension and annuity receipts;
- 7 (e) Military pay and benefits other than attendant-care and
8 medical-aid payments;
- 9 (f) Veterans benefits, other than:
- 10 (i) Attendant-care payments;
- 11 (ii) Medical-aid payments;
- 12 (iii) Disability compensation, as defined in Title 38, part 3,
13 section 3.4 of the code of federal regulations, as of January 1,
14 2008; and
- 15 (iv) Dependency and indemnity compensation, as defined in Title
16 38, part 3, section 3.5 of the code of federal regulations, as of
17 January 1, 2008;
- 18 (g) Federal social security act and railroad retirement benefits;
- 19 (h) Dividend receipts; and
- 20 (i) Interest received on state and municipal bonds.
- 21 (6) "Cotenant" means a person who resides with the person
22 claiming the exemption and who has an ownership interest in the
23 residence.
- 24 (7) "Disability" has the same meaning as provided in 42 U.S.C.
25 Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such
26 subsequent date as the department may provide by rule consistent with
27 the purpose of this section.

28 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
29 collection in 2022 and thereafter.

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