
SENATE BILL 5337

State of Washington

67th Legislature

2021 Regular Session

By Senators Wilson, L., Gildon, Rivers, Wagoner, and Wilson, J.

Read first time 01/25/21. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax relief for senior citizens and
2 service-connected disabled veterans; reenacting and amending RCW
3 84.36.383; and creating new sections.

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

5 **Sec. 1.** RCW 84.36.383 and 2020 c 209 s 3 are each reenacted and
6 amended to read as follows:

7 As used in RCW 84.36.381 through 84.36.389, unless the context
8 clearly requires otherwise:

9 (1) "Base threshold 1" means \$35,000 as adjusted by inflation
10 beginning with taxes levied for collection in calendar year 2022 and
11 thereafter. Base threshold 1 must be adjusted for inflation beginning
12 with taxes levied for collection in calendar year 2022 and every five
13 years thereafter.

14 (2) "Base threshold 2" means \$40,000 as adjusted by inflation
15 beginning with taxes levied for collection in calendar year 2022 and
16 thereafter. Base threshold 2 must be adjusted for inflation beginning
17 with taxes levied for collection in calendar year 2022 and every five
18 years thereafter.

19 (3) "Base threshold 3" means \$45,000 as adjusted by inflation
20 beginning with taxes levied for collection in calendar year 2022 and
21 thereafter. Base threshold 3 must be adjusted for inflation beginning

1 with taxes levied for collection in calendar year 2022 and every five
2 years thereafter.

3 (4) "Combined disposable income" means the disposable income of
4 the person claiming the exemption, plus the disposable income of his
5 or her spouse or domestic partner, and the disposable income of each
6 cotenant occupying the residence for the assessment year, less
7 amounts paid by the person claiming the exemption or his or her
8 spouse or domestic partner during the assessment year for:

9 (a) Drugs supplied by prescription of a medical practitioner
10 authorized by the laws of this state or another jurisdiction to issue
11 prescriptions;

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

15 (c) Health care insurance premiums for medicare under Title XVIII
16 of the social security act.

17 ~~((+2))~~ (5) "Cotenant" means a person who resides with the person
18 claiming the exemption and who has an ownership interest in the
19 residence.

20 ~~((+3))~~ (6) "County median household income" means the median
21 household income estimates for the state of Washington by county of
22 the legal address of the principal place of residence, as published
23 by the office of financial management.

24 ~~((+4))~~ (7) "Department" means the state department of revenue.

25 ~~((+5))~~ (8) "Disability" has the same meaning as provided in 42
26 U.S.C. Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such
27 subsequent date as the department may provide by rule consistent with
28 the purpose of this section.

29 ~~((+6))~~ (9) "Disposable income" means adjusted gross income as
30 defined in the federal internal revenue code, as amended prior to
31 January 1, 1989, or such subsequent date as the director may provide
32 by rule consistent with the purpose of this section, plus all of the
33 following items to the extent they are not included in or have been
34 deducted from adjusted gross income:

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

38 (b) Amounts deducted for loss;

39 (c) Amounts deducted for depreciation;

40 (d) Pension and annuity receipts;

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

3 (f) Veterans benefits, other than:

4 (i) Attendant-care payments;

5 (ii) Medical-aid payments;

6 (iii) Disability compensation, as defined in Title 38, part 3,
7 section 3.4 of the Code of Federal Regulations, as of January 1,
8 2008; and

9 (iv) Dependency and indemnity compensation, as defined in Title
10 38, part 3, section 3.5 of the Code of Federal Regulations, as of
11 January 1, 2008;

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

13 (h) Dividend receipts; and

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

15 (~~(7)~~) (10) "Income threshold 1" means:

16 (a) For taxes levied for collection in calendar years prior to
17 2020, a combined disposable income equal to thirty thousand dollars;
18 and

19 (b) For taxes levied for collection in calendar year 2020 and
20 thereafter, a combined disposable income equal to the greater of
21 (~~"income threshold 1"~~) base threshold 1 for the previous year or
22 forty-five percent of the county median household income, adjusted
23 every five years beginning August 1, 2019, as provided in RCW
24 84.36.385(8).

25 (~~(8)~~) (11) "Income threshold 2" means:

26 (a) For taxes levied for collection in calendar years prior to
27 2020, a combined disposable income equal to thirty-five thousand
28 dollars; and

29 (b) For taxes levied for collection in calendar year 2020 and
30 thereafter, a combined disposable income equal to the greater of
31 (~~"income threshold 2"~~) base threshold 2 for the previous year or
32 fifty-five percent of the county median household income, adjusted
33 every five years beginning August 1, 2019, as provided in RCW
34 84.36.385(8).

35 (~~(9)~~) (12) "Income threshold 3" means:

36 (a) For taxes levied for collection in calendar years prior to
37 2020, a combined disposable income equal to forty thousand dollars;
38 and

39 (b) For taxes levied for collection in calendar year 2020 and
40 thereafter, a combined disposable income equal to the greater of

1 (~~"income threshold 3"~~) base threshold 3 for the previous year or
2 sixty-five percent of the county median household income, adjusted
3 every five years beginning August 1, 2019, as provided in RCW
4 84.36.385(8).

5 (~~(10)~~) (13) "Inflation" has the same meaning as provided in RCW
6 84.55.005.

7 (14) "Principal place of residence" means a residence occupied
8 for more than six months each calendar year by a person claiming an
9 exemption under RCW 84.36.381.

10 (~~(11)~~) (15) The term "real property" also includes a mobile
11 home which has substantially lost its identity as a mobile unit by
12 virtue of its being fixed in location upon land owned or leased by
13 the owner of the mobile home and placed on a foundation (posts or
14 blocks) with fixed pipe, connections with sewer, water, or other
15 utilities. A mobile home located on land leased by the owner of the
16 mobile home is subject, for tax billing, payment, and collection
17 purposes, only to the personal property provisions of chapter 84.56
18 RCW and RCW 84.60.040.

19 (~~(12)~~) (16) The term "residence" means a single-family dwelling
20 unit whether such unit be separate or part of a multiunit dwelling,
21 including the land on which such dwelling stands not to exceed one
22 acre, except that a residence includes any additional property up to
23 a total of five acres that comprises the residential parcel if this
24 larger parcel size is required under land use regulations. The term
25 also includes a share ownership in a cooperative housing association,
26 corporation, or partnership if the person claiming exemption can
27 establish that his or her share represents the specific unit or
28 portion of such structure in which he or she resides. The term also
29 includes a single-family dwelling situated upon lands the fee of
30 which is vested in the United States or any instrumentality thereof
31 including an Indian tribe or in the state of Washington, and
32 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
33 residence is deemed real property.

34 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
35 collection in calendar year 2022 and thereafter.

1 NEW SECTION. **Sec. 3.** The provisions of RCW 82.32.805 and
2 82.32.808 do not apply to this act.

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