

SENATE BILL REPORT

SB 5376

As of February 9, 1995

Title: An act relating to property tax relief for senior citizens and persons retired by reason of physical disability.

Brief Description: Providing property tax relief for senior citizens and persons retired by reason of physical disability.

Sponsors: Senators Moyer, Franklin, Deccio, Winsley, Oke, Wood, Pelz, Hale, Prince, Quigley, Rasmussen, Bauer and McCaslin.

Brief History:

Committee Activity: Ways & Means: 2/1/95.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7715)

Background: Some senior citizens and persons retired due to disability are entitled to property tax relief in the form of exemptions and deferrals of taxes on their principal residences. 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 below specified levels.

To be eligible for an exemption, the disposable income of the applicant's household must fall below \$26,000 a year. To be eligible for a deferral of taxes, the disposable income of the applicant's household must fall below \$30,000 a year.

Disposable income is defined as the sum of federally defined adjusted gross income and the following, if not already included: Deductions for loss, depreciation, pensions and annuities, military pay and benefits, veterans benefits, 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 care are deducted in determining disposable income.

Summary of Bill: Payments for prescription drugs are deducted in determining disposable income.

Appropriation: None.

Fiscal Note: Requested on January 23, 1995.

Effective Date: Ninety days after adjournment of session in which the bill passed.

Testimony For: Drugs are expensive, and allowing a deduction will keep people out of hospitals and nursing homes.

Testimony Against: None.

Testified: Senator Moyer, prime sponsor (pro); Evan Iverson, senior lobby (pro).