
SENATE BILL 5662

State of Washington

61st Legislature

2009 Regular Session

By Senators Benton, Carrell, Pflug, McCaslin, Roach, Swecker, Zarelli, Delvin, Honeyford, Schoesler, King, Parlette, Hewitt, Kilmer, and Holmquist

Read first time 01/28/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to allowing certain health care coverage deductions
2 from the calculation of disposable income for the purpose of qualifying
3 for senior property tax programs; and reenacting and amending RCW
4 84.36.383.

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

6 **Sec. 1.** RCW 84.36.383 and 2008 c 182 s 1 and 2008 c 6 s 709 are
7 each reenacted and amended to read as follows:

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

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

1 shall also include a single family dwelling situated upon lands the fee
2 of which is vested in the United States or any instrumentality thereof
3 including an Indian tribe or in the state of Washington, and
4 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
5 residence shall be deemed real property.

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

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

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

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

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

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

29 (d) Durable medical equipment and mobility enhancing equipment, as
30 defined in RCW 82.08.0283; and

31 (e) Long-term care insurance, as defined in RCW 48.84.020.

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

1 (a) Capital gains, other than gain excluded from income under
2 (~~section~~) Title 26 U.S.C. Sec. 121 of the federal internal revenue
3 code to the extent it is 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, 2008;
14 and
15 (iv) Dependency and indemnity compensation, as defined in Title 38,
16 part 3, section 3.5 of the code of federal regulations, as of January
17 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 claiming
22 the exemption and who has an ownership interest in the residence.
23 (7) "Disability" has the same meaning as provided in Title 42
24 U.S.C. Sec. 423(d)(1)(A) as amended prior to January 1, 2004, or such
25 subsequent date as the director may provide by rule consistent with the
26 purpose of this section.

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