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SENATE BILL 5089

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State of Washington

63rd Legislature

2013 Regular Session

By Senators Benton, Bailey, Shin, Roach, Holmquist Newbry, Sheldon,  
and Keiser

Read first time 01/17/13. 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 amending RCW 84.36.383.

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

5 **Sec. 1.** RCW 84.36.383 and 2012 c 10 s 74 are each amended to read  
6 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, assisted living facility, or adult family home;  
25 ((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 42 U.S.C. Sec.  
24 423(d)(1)(A) as amended prior to January 1, 2005, or such subsequent  
25 date as the department may provide by rule consistent with the purpose  
26 of this section.

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