
SENATE BILL 6199

State of Washington

66th Legislature

2020 Regular Session

By Senators Braun, Becker, Padden, O'Ban, Schoesler, Short, Wilson, L., and Zeiger

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1 AN ACT Relating to adjusting by inflation the qualifying income
2 thresholds for purposes of the senior citizen and service-connected
3 disabled veterans property tax exemption program; amending RCW
4 84.36.383; and creating new sections.

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

6 **Sec. 1.** RCW 84.36.383 and 2019 c 453 s 2 are each amended to
7 read as follows:

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

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
14 a total of five acres that comprises the residential parcel if this
15 larger parcel size is required under land use regulations. The term
16 also includes a share ownership in a cooperative housing association,
17 corporation, or partnership if the person claiming exemption can
18 establish that his or her share represents the specific unit or
19 portion of such structure in which he or she resides. The term also
20 includes a single-family dwelling situated upon lands the fee of
21 which is vested in the United States or any instrumentality thereof

1 including an Indian tribe or in the state of Washington, and
2 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
3 residence is deemed real property.

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

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

14 (4) "Combined disposable income" means the disposable income of
15 the person claiming the exemption, plus the disposable income of his
16 or her spouse or domestic partner, and the disposable income of each
17 cotenant occupying the residence for the assessment year, less
18 amounts paid by the person claiming the exemption or his or her
19 spouse or domestic 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
24 or in a nursing home, assisted living facility, or adult family home;
25 and

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

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

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

37 (b) Amounts deducted for loss;

38 (c) Amounts deducted for depreciation;

39 (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 (6) "Cotenant" means a person who resides with the person
16 claiming the exemption and who has an ownership interest in the
17 residence.

18 (7) "Disability" has the same meaning as provided in 42 U.S.C.
19 Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such
20 subsequent date as the department may provide by rule consistent with
21 the purpose of this section.

22 (8) "County median household income" means the median household
23 income estimates for the state of Washington by county of the legal
24 address of the principal place of residence, as published by the
25 office of financial management.

26 (9) "Income threshold 1" means:

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

30 (b) For taxes levied for collection in calendar year 2020 and
31 thereafter, a combined disposable income equal to the greater of
32 (~~"income threshold 1" for the previous year~~) base threshold 1 or
33 forty-five percent of the county median household income, adjusted
34 every five years beginning August 1, 2019, as provided in RCW
35 84.36.385(8).

36 (10) "Income threshold 2" means:

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

1 (b) For taxes levied for collection in calendar year 2020 and
2 thereafter, a combined disposable income equal to the greater of
3 (~~"income threshold 2" for the previous year~~) base threshold 2 or
4 fifty-five percent of the county median household income, adjusted
5 every five years beginning August 1, 2019, as provided in RCW
6 84.36.385(8).

7 (11) "Income threshold 3" means:

8 (a) For taxes levied for collection in calendar years prior to
9 2020, a combined disposable income equal to forty thousand dollars;
10 and

11 (b) For taxes levied for collection in calendar year 2020 and
12 thereafter, a combined disposable income equal to the greater of
13 (~~"income threshold 3" for the previous year~~) base threshold 3 or
14 sixty-five percent of the county median household income, adjusted
15 every five years beginning August 1, 2019, as provided in RCW
16 84.36.385(8).

17 (12) "Principal place of residence" means a residence occupied
18 for more than nine months each calendar year by a person claiming an
19 exemption under RCW 84.36.381.

20 (13) "Base threshold 1" means thirty-five thousand dollars as
21 adjusted by inflation beginning with taxes levied for collection in
22 calendar year 2021 and thereafter. Base threshold 1 must be adjusted
23 for inflation beginning with taxes levied for collection in calendar
24 year 2021 and every five years thereafter.

25 (14) "Base threshold 2" means forty thousand dollars as adjusted
26 by inflation beginning with taxes levied for collection in calendar
27 year 2021 and thereafter. Base threshold 2 must be adjusted for
28 inflation beginning with taxes levied for collection in calendar year
29 2021 and every five years thereafter.

30 (15) "Base threshold 3" means forty-five thousand dollars as
31 adjusted by inflation beginning with taxes levied for collection in
32 calendar year 2021 and thereafter. Base threshold 3 must be adjusted
33 for inflation beginning with taxes levied for collection in calendar
34 year 2021 and every five years thereafter.

35 (16) "Inflation" has the same meaning as provided in RCW
36 84.55.005.

37 NEW SECTION. Sec. 2. This act applies to taxes levied for
38 collection in calendar year 2021 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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