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**Finance Committee**

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**HB 2756**

**Brief Description:** Allowing medicare supplement insurance premiums to be deducted from the calculation of disposable income for the purpose of qualifying for senior property tax programs.

**Sponsors:** Representatives Driscoll, Parker, Haler, Ormsby, Lias, Pettigrew, Kelley, Sullivan, Green, Moeller, Simpson, Darneille, Morrell, Pearson, Hurst, Chase and Santos.

**Brief Summary of Bill**

- Deducts medicare supplement insurance premiums from the income calculation used for senior citizens and retired persons property tax relief programs.

**Hearing Date:** 2/9/10

**Staff:** Susan Howson (786-7142).

**Background:**

Some senior citizens and persons retired due to disability are entitled to property tax relief on their principal residences. To qualify a person must be age 61 in the year of application, or retired from employment because of a disability, or 100 percent disabled due to military service; must own his or her principal residence, and must have a disposable income of less than \$35,000 a year. Persons meeting this criteria are entitled to partial property tax exemptions and a property valuation freeze.

Disposable income is defined as the sum of federally-defined, adjusted gross income and the following, if not included: capital gains, deductions for loss, depreciation, pensions and annuities, military pay and benefits, veterans' benefits except attendant-care and medical-aid payments, veterans' benefits awarded for service-connected disability, Social Security and federal railroad retirement benefits, dividends, and interest income.

Some costs may be deducted from the disposable income total as follows: payments for the care

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of either spouse received in the home, a nursing home, boarding home or adult family home; payments for medicare insurance premiums, and payments for prescription drugs.

**Summary of Bill:**

Medicare supplement insurance premiums may be deducted from the combined disposable income total when computing the retired person property tax reduction.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.