
Finance Committee

HB 1509

Brief Description: Providing a property tax exemption to widows or widowers of honorably discharged veterans.

Sponsors: Representatives Green, Conway, Orcutt, Appleton, Morrell, O'Brien, Lovick, McCoy, Kilmer, Kessler, McDermott, Campbell, Simpson, Hunt, Chase, P. Sullivan, Sells, Kirby, Kenney, Linville and Kagi; by request of Governor Gregoire.

Brief Summary of Bill

- Creates a new property tax relief program for retired widows or widowers of war time veterans.

Hearing Date: 2/16/05

Staff: Rick Peterson (786-7150).

Background:

All real and personal property in this state is subject to property tax each year based on its value, unless a specific exemption is provided by law.

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 61 years old in the year of application or retired from employment because of a disability, own his or her principal residence, and have a disposable income of less than \$35,000 a year. Persons meeting these criteria are entitled to partial property tax exemptions and a valuation freeze.

Summary of Bill:

Retired widows or widowers of certain veterans are eligible for property tax relief on their principal residence according to the following schedule:

1. income less than \$32,000 - exempt from all property taxes on first \$200,000 of value;
2. income between \$32,001 and \$40,000 - exempt from all property taxes on first \$150,000 of value; or
3. income between \$40,001 and \$50,000 - exempt from all property taxes on first \$100,000 of value.

In addition, the assessed value of the residence of all eligible widows and widowers is frozen at the value on January 1, 2001, or the value when first eligible for the program.

The retired widow or widower must be at least age 61 when they apply for relief and must be a widow or widower of a veteran that: died as a result of a service-connected disability; was rated as 100 percent disabled for the 10 years prior to death; was a prisoner of war and rated as 100 percent disabled for at least one year prior to death; or died in active military training status. The retired widow or widower cannot remarry.

Veterans are persons who were honorably discharged or discharged for physical reasons with an honorable record from the armed forces of the United States and served during periods of war or between World War I and World War II. Women's air force service pilots and certain merchant mariners are eligible.

The procedures for application and calculation of income are the same as for the current senior citizen and persons retired due to disability property tax relief program.

This change first applies to property tax due for collection in 2006.

Appropriation: None.

Fiscal Note: Available.

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