

HOUSE BILL REPORT

HJM 4018

*As Reported By House Committee on:
Revenue*

Brief Description: Concerning tax of retirement income.

Sponsor(s): Representatives Jones, Ogden, Cooper, R. Fisher, Peery, Ebersole, Fraser, Riley, H. Myers, Wang, Edmondson, Winsley, Bowman, Casada and D. Sommers.

Brief History:

Reported by House Committee on:
Revenue, March 6, 1991, DP.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *Do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Holland, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Brumsickle; Day; Leonard; Morris; Morton; Phillips; Silver; and Van Luven.

Minority Report: *Do not pass.* Signed by 1 member: Representative Rust.

Staff: Rick Peterson (786-7150).

Background: Many people who have retired to Washington from other states with income taxes have discovered that they owe tax on their retirement income to their state of former residence. This occurs when the income tax state asserts its right to tax income "sourced" in that state. These states claim that the retirement income earned as a result of employment in their state is income "sourced" in their state.

If a Washington resident fails to pay the "source" tax then the income tax state takes the tax assessment to a court within that state and obtains a judgment against the individual. The courts of Washington are required to recognize and enforce the liability for taxes lawfully imposed by the laws of the other state.

Summary of Bill: Memorializes President Bush, the president of the Senate, the speaker of the House, the members of the Senate and the House of Representatives to support

legislation which permits the taxation of pension income only by the state of residency.

Fiscal Note: Available.

Testimony For: This is a step in the right direction to get Congress to address this issue.

Testimony Against: None.

Witnesses: Representative Evan Jones (in favor).