

SENATE BILL REPORT

HJM 4018

AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,
APRIL 3, 1991

Brief Description: Concerning tax of retirement income.

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

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; Madsen, Matson, and Sutherland.

Staff: Rod McAulay (786-7754)

Hearing Dates: April 3, 1991

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 taxing state asserts its right to tax income "sourced" in that state.

If a Washington resident fails to pay the "source" tax, the taxing state may obtain 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:

The Legislature 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.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The bill would solve the "source tax" problem completely.

TESTIMONY AGAINST: None

TESTIFIED: Representative Jones, prime sponsor (pro); Senator L. Smith (pro)