FINAL BILL REPORT
SSB 5256

C 182 L 08

Synopsis as Enacted

Brief Description: Providing for the exclusion of veterans benefits from the income calculation for the retired person property tax relief program.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Roach, Fairley, Kastama, Eide, Hobbs, Fraser, Rockefeller, Kohl-Welles, Rasmussen, Franklin, Kilmer, Honeyford and Keiser).

Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means
House Committee on Finance

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 these 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 already included: capital gains; deductions for loss; depreciation; pensions and annuities; military pay and benefits; veterans' benefits except attendant-care and medical-aid payments; 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 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: Federal veterans benefits awarded for service-connected disability can be deducted from the disposable income total when computing the retired person property tax reduction.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 12, 2008