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HOUSE BILL 1405

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State of Washington

61st Legislature

2009 Regular Session

By Representatives Campbell, Flannigan, McCune, Dammeier, Darneille, Simpson, and Moeller

Read first time 01/20/09. Referred to Committee on Finance.

1 AN ACT Relating to excluding social security disability payments  
2 from the calculation of disposable income for the property tax  
3 exemption for senior citizens and persons retired by reason of  
4 disability; reenacting and amending RCW 84.36.383; and creating a new  
5 section.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 84.36.383 and 2008 c 182 s 1 and 2008 c 6 s 709 are  
8 each reenacted and amended to read as follows:

9 As used in RCW 84.36.381 through 84.36.389, except where the  
10 context clearly indicates a different meaning:

11 (1) The term "residence" means a single family dwelling unit  
12 whether such unit be separate or part of a multiunit dwelling,  
13 including the land on which such dwelling stands not to exceed one  
14 acre, except that a residence includes any additional property up to a  
15 total of five acres that comprises the residential parcel if this  
16 larger parcel size is required under land use regulations. The term  
17 shall also include a share ownership in a cooperative housing  
18 association, corporation, or partnership if the person claiming  
19 exemption can establish that his or her share represents the specific

1 unit or portion of such structure in which he or she resides. The term  
2 shall also include a single family dwelling situated upon lands the fee  
3 of which is vested in the United States or any instrumentality thereof  
4 including an Indian tribe or in the state of Washington, and  
5 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a  
6 residence shall be deemed real property.

7 (2) The term "real property" shall also include a mobile home which  
8 has substantially lost its identity as a mobile unit by virtue of its  
9 being fixed in location upon land owned or leased by the owner of the  
10 mobile home and placed on a foundation (posts or blocks) with fixed  
11 pipe, connections with sewer, water, or other utilities. A mobile home  
12 located on land leased by the owner of the mobile home is subject, for  
13 tax billing, payment, and collection purposes, only to the personal  
14 property provisions of chapter 84.56 RCW and RCW 84.60.040.

15 (3) "Department" means the state department of revenue.

16 (4) "Combined disposable income" means the disposable income of the  
17 person claiming the exemption, plus the disposable income of his or her  
18 spouse or domestic partner, and the disposable income of each cotenant  
19 occupying the residence for the assessment year, less amounts paid by  
20 the person claiming the exemption or his or her spouse or domestic  
21 partner during the assessment year for:

22 (a) Drugs supplied by prescription of a medical practitioner  
23 authorized by the laws of this state or another jurisdiction to issue  
24 prescriptions;

25 (b) The treatment or care of either person received in the home or  
26 in a nursing home, boarding home, or adult family home; and

27 (c) Health care insurance premiums for medicare under Title XVIII  
28 of the social security act.

29 (5) "Disposable income" means adjusted gross income as defined in  
30 the federal internal revenue code, as amended prior to January 1, 1989,  
31 or such subsequent date as the director may provide by rule consistent  
32 with the purpose of this section, plus all of the following items to  
33 the extent they are not included in or have been deducted from adjusted  
34 gross income:

35 (a) Capital gains, other than gain excluded from income under  
36 section 121 of the federal internal revenue code to the extent it is  
37 reinvested in a new principal residence;

38 (b) Amounts deducted for loss;

1 (c) Amounts deducted for depreciation;  
2 (d) Pension and annuity receipts;  
3 (e) Military pay and benefits other than attendant-care and  
4 medical-aid payments;  
5 (f) Veterans benefits, other than:  
6 (i) Attendant-care payments;  
7 (ii) Medical-aid payments;  
8 (iii) Disability compensation, as defined in Title 38, part 3,  
9 section 3.4 of the code of federal regulations, as of January 1, 2008;  
10 and  
11 (iv) Dependency and indemnity compensation, as defined in Title 38,  
12 part 3, section 3.5 of the code of federal regulations, as of January  
13 1, 2008;  
14 (g) Federal social security act and railroad retirement benefits,  
15 other than social security act disability benefits;  
16 (h) Dividend receipts; and  
17 (i) Interest received on state and municipal bonds.  
18 (6) "Cotenant" means a person who resides with the person claiming  
19 the exemption and who has an ownership interest in the residence.  
20 (7) "Disability" has the same meaning as provided in 42 U.S.C. Sec.  
21 423(d)(1)(A) as amended prior to January 1, 2004, or such subsequent  
22 date as the director may provide by rule consistent with the purpose of  
23 this section.

24 NEW SECTION. **Sec. 2.** This act applies to taxes levied for  
25 collection in 2010 and thereafter.

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