

SSB 5337 - S AMD **398**
By Senator Hunt

NOT CONSIDERED 04/26/2021

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 84.36.383 and 2020 c 209 s 3 are each reenacted and
4 amended to read as follows:

5 As used in RCW 84.36.381 through 84.36.389, unless the context
6 clearly requires otherwise:

7 (1) "Combined disposable income" means the disposable income of
8 the person claiming the exemption, plus the disposable income of his
9 or her spouse or domestic partner, and the disposable income of each
10 cotenant occupying the residence for the assessment year, less
11 amounts paid by the person claiming the exemption or his or her
12 spouse or domestic partner during the assessment year for:

13 (a) Drugs supplied by prescription of a medical practitioner
14 authorized by the laws of this state or another jurisdiction to issue
15 prescriptions;

16 (b) The treatment or care of either person received in the home
17 or in a nursing home, assisted living facility, or adult family home;
18 ((and))

19 (c) Health care insurance premiums for medicare under Title XVIII
20 of the social security act;

21 (d) Costs related to medicare supplemental policies as defined in
22 Title 42 U.S.C. Sec. 1395ss;

23 (e) Durable medical equipment, mobility enhancing equipment,
24 medically prescribed oxygen, and prosthetic devices as defined in RCW
25 82.08.0283;

26 (f) Long-term care insurance as defined in RCW 48.84.020;

27 (g) Cost-sharing amounts as defined in RCW 48.43.005;

28 (h) Nebulizers as defined in RCW 82.08.803;

29 (i) Medicines of mineral, animal, and botanical origin
30 prescribed, administered, dispensed, or used in the treatment of an
31 individual by a person licensed under chapter 18.36A RCW;

32 (j) Ostomic items as defined in RCW 82.08.804;

1 (k) Insulin for human use;
2 (l) Kidney dialysis devices; and
3 (m) Disposable devices used to deliver drugs for human use as
4 defined in RCW 82.08.935.

5 (2) "Cotenant" means a person who resides with the person
6 claiming the exemption and who has an ownership interest in the
7 residence.

8 (3) "County median household income" means the median household
9 income estimates for the state of Washington by county of the legal
10 address of the principal place of residence, as published by the
11 office of financial management.

12 (4) "Department" means the state department of revenue.

13 (5) "Disability" has the same meaning as provided in 42 U.S.C.
14 Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such
15 subsequent date as the department may provide by rule consistent with
16 the purpose of this section.

17 (6) "Disposable income" means adjusted gross income as defined in
18 the federal internal revenue code, as amended prior to January 1,
19 1989, or such subsequent date as the director may provide by rule
20 consistent with the purpose of this section, plus all of the
21 following items to the extent they are not included in or have been
22 deducted from adjusted gross income:

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

26 (b) Amounts deducted for loss;

27 (c) Amounts deducted for depreciation;

28 (d) Pension and annuity receipts;

29 (e) Military pay and benefits other than attendant-care and
30 medical-aid payments;

31 (f) Veterans benefits, other than:

32 (i) Attendant-care payments;

33 (ii) Medical-aid payments;

34 (iii) Disability compensation, as defined in Title 38, part 3,
35 section 3.4 of the Code of Federal Regulations, as of January 1,
36 2008; and

37 (iv) Dependency and indemnity compensation, as defined in Title
38 38, part 3, section 3.5 of the Code of Federal Regulations, as of
39 January 1, 2008;

40 (g) Federal social security act and railroad retirement benefits;

1 (h) Dividend receipts; and

2 (i) Interest received on state and municipal bonds.

3 (7) "Income threshold 1" means:

4 (a) For taxes levied for collection in calendar years prior to
5 2020, a combined disposable income equal to thirty thousand dollars;
6 and

7 (b) For taxes levied for collection in calendar year 2020 and
8 thereafter, a combined disposable income equal to the greater of
9 "income threshold 1" for the previous year or forty-five percent of
10 the county median household income, adjusted every five years
11 beginning August 1, 2019, as provided in RCW 84.36.385(8).

12 (8) "Income threshold 2" means:

13 (a) For taxes levied for collection in calendar years prior to
14 2020, a combined disposable income equal to thirty-five thousand
15 dollars; and

16 (b) For taxes levied for collection in calendar year 2020 and
17 thereafter, a combined disposable income equal to the greater of
18 "income threshold 2" for the previous year or fifty-five percent of
19 the county median household income, adjusted every five years
20 beginning August 1, 2019, as provided in RCW 84.36.385(8).

21 (9) "Income threshold 3" means:

22 (a) For taxes levied for collection in calendar years prior to
23 2020, a combined disposable income equal to forty thousand dollars;
24 and

25 (b) For taxes levied for collection in calendar year 2020 and
26 thereafter, a combined disposable income equal to the greater of
27 "income threshold 3" for the previous year or sixty-five percent of
28 the county median household income, adjusted every five years
29 beginning August 1, 2019, as provided in RCW 84.36.385(8).

30 (10) "Principal place of residence" means a residence occupied
31 for more than six months each calendar year by a person claiming an
32 exemption under RCW 84.36.381.

33 (11) The term "real property" also includes a mobile home which
34 has substantially lost its identity as a mobile unit by virtue of its
35 being fixed in location upon land owned or leased by the owner of the
36 mobile home and placed on a foundation (posts or blocks) with fixed
37 pipe, connections with sewer, water, or other utilities. A mobile
38 home located on land leased by the owner of the mobile home is
39 subject, for tax billing, payment, and collection purposes, only to

1 the personal property provisions of chapter 84.56 RCW and RCW
2 84.60.040.

3 (12) The term "residence" means a single-family dwelling unit
4 whether such unit be separate or part of a multiunit dwelling,
5 including the land on which such dwelling stands not to exceed one
6 acre, except that a residence includes any additional property up to
7 a total of five acres that comprises the residential parcel if this
8 larger parcel size is required under land use regulations. The term
9 also includes a share ownership in a cooperative housing association,
10 corporation, or partnership if the person claiming exemption can
11 establish that his or her share represents the specific unit or
12 portion of such structure in which he or she resides. The term also
13 includes a single-family dwelling situated upon lands the fee of
14 which is vested in the United States or any instrumentality thereof
15 including an Indian tribe or in the state of Washington, and
16 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
17 residence is deemed real property.

18 NEW SECTION. **Sec. 2.** The provisions of RCW 82.32.805 and
19 82.32.808 do not apply to this act. The legislature intends for this
20 tax preference and its expansion to be permanent."

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21 On page 1, line 1 of the title, after "to" strike the remainder
22 of the title and insert "expanding eligibility for property tax
23 exemptions for service-connected disabled veterans and senior
24 citizens by modifying income thresholds for eligibility to allow
25 deductions for common health care-related expenses; reenacting and
26 amending RCW 84.36.383; and creating a new section."

EFFECT: Retains the eligibility thresholds in existing law while
expanding eligibility for seniors and disabled persons by allowing
certain health care expenses to be deducted when calculating
household income.

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