
SENATE BILL 5250

State of Washington

68th Legislature

2023 Regular Session

By Senator Shewmake

1 AN ACT Relating to the senior and disabled veterans property tax
2 exemption; amending RCW 84.36.383; and creating new sections.

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

4 **Sec. 1.** RCW 84.36.383 and 2021 c 220 s 1 are each amended to
5 read as follows:

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

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

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

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

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

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

3 (e) Costs related to health care coverage through the federal
4 employees health benefits program under Title 10 U.S.C. Sec. 110ss;

5 (f) Durable medical equipment, mobility enhancing equipment,
6 medically prescribed oxygen, and prosthetic devices as defined in RCW
7 82.08.0283;

8 (~~(f)~~) (g) Long-term care insurance as defined in RCW 48.84.020;

9 (~~(g)~~) (h) Cost-sharing amounts as defined in RCW 48.43.005;

10 (~~(h)~~) (i) Nebulizers as defined in RCW 82.08.803;

11 (~~(i)~~) (j) Medicines of mineral, animal, and botanical origin
12 prescribed, administered, dispensed, or used in the treatment of an
13 individual by a person licensed under chapter 18.36A RCW;

14 (~~(j)~~) (k) Ostomic items as defined in RCW 82.08.804;

15 (~~(k)~~) (l) Insulin for human use;

16 (~~(l)~~) (m) Kidney dialysis devices; and

17 (~~(m)~~) (n) Disposable devices used to deliver drugs for human
18 use as defined in RCW 82.08.935.

19 (2) "Cotenant" means a person who resides with the person
20 claiming the exemption and who has an ownership interest in the
21 residence.

22 (3) "County median household income" means the median household
23 income estimates for the state of Washington by county of the legal
24 address of the principal place of residence, as published by the
25 office of financial management.

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

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

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

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

40 (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,
10 2008; and

11 (iv) Dependency and indemnity compensation, as defined in Title
12 38, part 3, section 3.5 of the Code of Federal Regulations, as of
13 January 1, 2008;

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

15 (h) Dividend receipts; and

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

17 (7) "Income threshold 1" means:

18 (a) For taxes levied for collection in calendar years prior to
19 2020, a combined disposable income equal to (~~thirty thousand~~
20 ~~dollars~~) \$30,000; and

21 (b) For taxes levied for collection in calendar year 2020 and
22 thereafter, a combined disposable income equal to the greater of
23 "income threshold 1" for the previous year or (~~forty-five~~) 50
24 percent of the county median household income, adjusted every five
25 years beginning August 1, 2019, as provided in RCW 84.36.385(8).

26 (8) "Income threshold 2" means:

27 (a) For taxes levied for collection in calendar years prior to
28 2020, a combined disposable income equal to (~~thirty-five thousand~~
29 ~~dollars~~) \$35,000; and

30 (b) For taxes levied for collection in calendar year 2020 and
31 thereafter, a combined disposable income equal to the greater of
32 "income threshold 2" for the previous year or (~~fifty-five~~) 60
33 percent of the county median household income, adjusted every five
34 years beginning August 1, 2019, as provided in RCW 84.36.385(8).

35 (9) "Income threshold 3" means:

36 (a) For taxes levied for collection in calendar years prior to
37 2020, a combined disposable income equal to (~~forty thousand~~
38 ~~dollars~~) \$40,000; and

39 (b) For taxes levied for collection in calendar year 2020 and
40 thereafter, a combined disposable income equal to the greater of

1 "income threshold 3" for the previous year or (~~sixty-five~~) 70
2 percent of the county median household income, adjusted every five
3 years beginning August 1, 2019, as provided in RCW 84.36.385(8).

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

7 (11) The term "real property" also includes 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
12 home located on land leased by the owner of the mobile home is
13 subject, for tax billing, payment, and collection purposes, only to
14 the personal property provisions of chapter 84.56 RCW and RCW
15 84.60.040.

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

31 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
32 collection in 2024 and thereafter.

33 NEW SECTION. **Sec. 3.** RCW 82.32.805 and 82.32.808 do not apply
34 to this act.

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