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**SENATE BILL 5387**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senator L. Wilson

1 AN ACT Relating to homeowner and renter tax relief; amending RCW  
2 84.48.010, 84.69.020, and 82.03.190; adding a new section to chapter  
3 84.36 RCW; adding a new section to chapter 84.52 RCW; adding a new  
4 title to the Revised Code of Washington to be codified as Title 84A  
5 RCW; creating a new section; prescribing penalties; and providing a  
6 contingent effective date.

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

8 **PART I**  
9 **Homestead Property Tax Exemption**

10 NEW SECTION. **Sec. 101.** A new section is added to chapter 84.36  
11 RCW to read as follows:

12 (1) The definitions in this subsection apply throughout this  
13 section unless the context clearly requires otherwise.

14 (a) "Claimant" means an individual who has applied for or is  
15 receiving a homestead exemption.

16 (b) "Homestead exemption" means an exemption from a portion of  
17 state property taxes.

18 (c) "Manufactured/mobile home," "manufactured housing  
19 cooperative," "mobile home park cooperative," and "park model" have  
20 the same meanings as provided in RCW 59.20.030.

1 (d) "Residence" means a single-family dwelling unit whether such  
2 unit is separate or part of a multiunit dwelling, including the land  
3 on which such dwelling stands. "Residence" includes:

4 (i) A single-family dwelling situated upon lands the fee of which  
5 is vested in or held in trust by the United States or any of its  
6 instrumentalities, a federally recognized Indian tribe, the state of  
7 Washington or any of its political subdivisions, or a municipal  
8 corporation;

9 (ii) A single-family dwelling consisting of a manufactured/mobile  
10 home or park model that has substantially lost its identity as a  
11 mobile unit by virtue of its being fixed in location and placed on a  
12 foundation with fixed pipe connections with sewer, water, or other  
13 utilities; and

14 (iii) A single-family dwelling consisting of a floating home as  
15 defined in RCW 82.45.032.

16 (2)(a) Subject to the conditions in this section, a portion of  
17 the assessed value of a residence is exempt from the total state  
18 property tax under RCW 84.52.065 (1) and (2). Beginning with taxes  
19 levied for collection in calendar year 2025 and subject to the  
20 adjustments and limitations in subsection (3) of this section, the  
21 exemption from state property taxes is equal to:

22 (i) The first \$250,000 of valuation of each residential tax  
23 parcel consisting of fewer than three residences; and

24 (ii) The first \$250,000 of valuation of each residence within a  
25 multiunit residential dwelling wherein each residence is owned and  
26 taxed separately or is owned by members of a cooperative housing  
27 association, corporation, or partnership.

28 (b) For taxes levied for collection in calendar year 2026 and  
29 each subsequent year thereafter, the amount of homestead exemption  
30 must be increased from the prior year's exemption amount by the  
31 percentage growth in the state levy for the prior calendar year. The  
32 department is responsible for making a determination of any increase  
33 in the amount of the homestead exemption and may round the dollar  
34 amount of the homestead exemption to the nearest \$1,000.

35 (3)(a) The county assessor must multiply the amount of the  
36 homestead exemption for a tax year by the combined indicated ratio  
37 fixed by the department for the county in which the residence is  
38 located and used by the department to determine the equalized state  
39 levy rate for that county for that tax year.

1 (b) The amount of the homestead exemption for a residence may not  
2 result in a tax reduction that exceeds the amount of state property  
3 taxes that would otherwise be levied on that residence.

4 (4) The homestead exemption is in addition to the exemption  
5 provided in RCW 84.36.379 through 84.36.389.

6 (5) (a) The homestead exemption must be claimed and renewed on  
7 declaration and renewal declaration forms developed by the department  
8 or by the county assessor and approved by the department. Each county  
9 assessor must make declaration and renewal declaration forms  
10 available at the assessor's office, on the assessor's official  
11 website, and by mail or email upon request.

12 (b) The claimant or his or her designated agent or legal guardian  
13 must sign the declaration or renewal declaration declaring that the  
14 property for which a homestead exemption is sought is the claimant's  
15 principal residence within the meaning of subsection (6) (a) and (b)  
16 of this section. If the claimant resides in a cooperative housing  
17 association, corporation, or partnership, the declaration or renewal  
18 declaration must also be signed by the authorized agent of such  
19 cooperative. If the claimant holds a life estate in the residence for  
20 which a homestead exemption is claimed and the claimant is not shown  
21 on the tax rolls as the taxpayer for that residence, the remainderman  
22 or other person shown on the tax rolls as the taxpayer must also sign  
23 the declaration or renewal declaration. All signatures on a  
24 declaration or renewal declaration must be made under penalty of  
25 perjury.

26 (c) Notice of the homestead exemption and where to obtain further  
27 information about the exemption must be included on or with property  
28 tax statements and revaluation notices for residential property. The  
29 department and each county assessor are required to publicize the  
30 qualifications and manner of making claims for the homestead  
31 exemption, including such paid advertisements or notices as deemed  
32 appropriate in the sole discretion of the department and county  
33 assessors.

34 (6) The following conditions apply to homestead exemptions:

35 (a) The residence must be occupied by the claimant as his or her  
36 principal place of residence as of the date of the signed declaration  
37 or renewal declaration under subsection (5) of this section. A  
38 claimant who sells, transfers, or is displaced from his or her  
39 residence may transfer his or her exemption status to a replacement  
40 residence, but no claimant may receive a homestead exemption on more

1 than one residence in any calendar year. However, the confinement of  
2 the claimant to a hospital, nursing home, assisted living facility,  
3 or adult family home will not disqualify the claim of exemption if:

4 (i) The residence is temporarily unoccupied;

5 (ii) The residence is occupied by either a spouse, state  
6 registered domestic partner, or a person financially dependent on the  
7 claimant for support, or both; or

8 (iii) The residence is rented for the purpose of paying the  
9 claimant's costs of a nursing home, hospital, assisted living  
10 facility, or adult family home.

11 (b) At the time of signing the declaration or renewal  
12 declaration:

13 (i) The claimant must have owned, in fee or by contract purchase,  
14 or have held a life estate in, the residence for which the homestead  
15 exemption is claimed; or

16 (ii) If the claimant resides in a cooperative housing  
17 association, corporation, or partnership, including a mobile home  
18 park cooperative or manufactured housing cooperative, the claimant  
19 must own a share in the cooperative representing the unit or dwelling  
20 in which he or she resides or the lot on which his or her  
21 manufactured/mobile home or park model is situated.

22 (c) For purposes of this subsection, a residence owned by a  
23 marital community, state registered domestic partners, or cotenants  
24 is deemed to be owned by each spouse, domestic partner, or cotenant,  
25 and any lease for life is deemed a life estate.

26 (d) Except as provided in (e) of this subsection, the declaration  
27 form identified in subsection (5) of this section must be signed and  
28 returned to the county assessor no later than June 30th for exemption  
29 from state taxes payable the following year.

30 (e) A homestead exemption continues for no more than six  
31 consecutive years unless a renewal declaration is filed with the  
32 county assessor. At least once every six years the county assessor  
33 must, no later than March 1st, notify claimants currently receiving a  
34 homestead exemption of the requirement to file a renewal declaration.  
35 The county assessor may also require a renewal declaration following  
36 any change in state law regarding the qualifications or conditions  
37 for the homestead exemption. Each claimant receiving a homestead  
38 exemption must file with the county assessor a renewal declaration no  
39 later than June 30th of the year the assessor notifies such person of  
40 the requirement to file the renewal declaration.

1 (f)(i) The assessed value of a dwelling owned by a cooperative  
2 housing association, corporation, or partnership must be reduced, for  
3 purposes of state property taxes levied on the dwelling, by the  
4 amount of homestead exemption to which a claimant residing in that  
5 dwelling is entitled. The cooperative must pass the full amount of  
6 its property tax savings under this section to its members in  
7 proportion to each member's homestead exemption. The cooperative may  
8 meet its obligation under this subsection (6)(f)(i) by reducing the  
9 amount owed by the members to the cooperative or, if no amount be  
10 owed, by making payment to the members.

11 (ii) A mobile home park cooperative or manufactured housing  
12 cooperative is entitled to any unused portion of the homestead  
13 exemption of its members. A mobile home park cooperative or  
14 manufactured housing cooperative receiving the unused portion of the  
15 homestead exemption of its members must pass the full amount of its  
16 property tax savings to its members in proportion to each member's  
17 unused homestead exemption. The cooperative may meet its obligation  
18 under this subsection (6)(f)(ii) by reducing the amount owed by the  
19 members to the cooperative or, if no amount be owed, by making  
20 payment to the members. For purposes of this subsection (6)(f)(ii),  
21 "unused portion of the homestead exemption" means the amount by which  
22 the maximum allowable homestead exemption exceeds the assessed value  
23 of the manufactured/mobile home or park model owned by a member of  
24 the mobile home park cooperative or manufactured housing cooperative.

25 (g) A claimant granted a homestead exemption must immediately  
26 inform the county assessor, on forms created or approved by the  
27 department, of any change in status affecting the claimant's  
28 entitlement to a homestead exemption.

29 (h) Where a claimant has a life estate in his or her residence  
30 and a remainderman or other person would have otherwise paid the  
31 state property tax exempted on the residence as a result of the  
32 claimant's homestead exemption, such remainderman or other person  
33 must reduce the amount owed by the claimant to the remainderman or  
34 other person by the amount of the tax savings from the claimant's  
35 homestead exemption. If no amount is owed by the claimant to the  
36 remainderman or other person, the remainderman or other person must  
37 make payment to the claimant in the full amount of the tax savings  
38 from the claimant's homestead exemption.

1 (7) (a) (i) If the assessor finds that the claimant's residence  
2 does not meet the qualifications for a homestead exemption, the  
3 assessor must deny or cancel the homestead exemption.

4 (ii) If the assessor receives a declaration or renewal  
5 declaration after the deadline in subsection (6) (d) or (e) of this  
6 section, the assessor must deny the homestead exemption unless the  
7 assessor determines that the claimant qualifies for the homestead  
8 exemption and that good cause exists to excuse the late filing. A  
9 claimant whose homestead exemption was denied or canceled because the  
10 declaration or renewal declaration was filed after the deadline in  
11 subsection (6) (d) or (e) of this subsection may seek a refund of  
12 state property taxes paid as a result of the denial or cancellation,  
13 as provided in RCW 84.69.020. For purposes of this subsection  
14 (7) (a) (ii), good cause may be shown by one or more of the following  
15 circumstances:

16 (A) Death or serious illness of the claimant or a member of the  
17 claimant's immediate family, as defined in RCW 42.17A.005, within two  
18 weeks of the due date of the declaration or renewal declaration;

19 (B) The declaration or renewal declaration was mailed timely but  
20 inadvertently sent to the wrong address;

21 (C) The claimant received incorrect, ambiguous, or misleading  
22 written advice regarding the qualifications or filing requirements  
23 for the homestead exemption from the county assessor's staff;

24 (D) Natural disaster, such as flood or earthquake, occurring  
25 within two weeks of the due date of the declaration or renewal  
26 declaration;

27 (E) Delay or loss of the declaration or renewal declaration by  
28 the postal service, and documented by the postal service;

29 (F) The claimant was not sent a notice of the requirement to file  
30 a renewal declaration within the six-year period as required by  
31 subsection (6) (e) of this section; or

32 (G) Other circumstances as the department may provide by rule.

33 (b) A denial or cancellation under this subsection is subject to  
34 appeal under the provisions of RCW 84.48.010 and in accordance with  
35 the provisions of RCW 84.40.038.

36 (c) If the assessor determines that the claimant had received a  
37 homestead exemption in error in prior years, the county treasurer  
38 must collect all state property taxes that would have been paid on  
39 the claimant's residence for the prior years had the homestead  
40 exemption not been claimed, not to exceed six years. Interest, but

1 not penalties, applies to such taxes and is computed at the same  
2 rates and in the same way as interest is computed on delinquent  
3 taxes. Taxes and interest imposed under this subsection (7)(c): (i)  
4 Must be extended on the tax roll; (ii) are due within 30 days after  
5 the date of the treasurer's billing for such taxes and interest; and  
6 (iii) constitute a lien on the real property to which the tax and  
7 interest applies as provided in chapter 84.60 RCW.

8 (8) The department may conduct audits of the administration of  
9 this section and claims filed for the homestead exemption as the  
10 department considers necessary. The powers of the department under  
11 chapter 84.08 RCW apply to these audits.

12 (9) The homestead exemption under this section applies to the  
13 total state property tax levied under RCW 84.52.065. The exemption  
14 does not apply to any local property taxes.

15 (10) The department may adopt such rules in accordance with  
16 chapter 34.05 RCW, and prescribe such forms, as the department deems  
17 necessary and appropriate to implement and administer this section.

18 NEW SECTION. **Sec. 102.** A new section is added to chapter 84.52  
19 RCW to read as follows:

20 Pursuant to the provisions of Article VII, section . . . (Senate  
21 Joint Resolution No. . . . (S-0597/23)), the state levy must be  
22 reduced as necessary to prevent the value exempted under the  
23 homestead exemption in section 101 of this act from resulting in a  
24 higher tax rate than would have occurred in the absence of the  
25 homestead exemption.

26 **Sec. 103.** RCW 84.48.010 and 2017 c 155 s 1 are each amended to  
27 read as follows:

28 (1) Prior to July 15th, the county legislative authority must  
29 form a board for the equalization of the assessment of the property  
30 of the county. The members of the board must receive a per diem  
31 amount as set by the county legislative authority for each day of  
32 actual attendance of the meeting of the board of equalization to be  
33 paid out of the current expense fund of the county. However, when the  
34 county legislative authority constitutes the board they may only  
35 receive their compensation as members of the county legislative  
36 authority. The board of equalization must meet in open session for  
37 this purpose annually on the 15th day of July or within fourteen days  
38 of certification of the county assessment rolls, whichever is later,

1 and, having each taken an oath fairly and impartially to perform  
2 their duties as members of such board, they must examine and compare  
3 the returns of the assessment of the property of the county and  
4 proceed to equalize the same, so that each tract or lot of real  
5 property and each article or class of personal property must be  
6 entered on the assessment list at its true and fair value, according  
7 to the measure of value used by the county assessor in such  
8 assessment year, which is presumed to be correct under RCW  
9 84.40.0301, and subject to the following rules:

10 (a) They must raise the valuation of each tract or lot or item of  
11 real property which is returned below its true and fair value to such  
12 price or sum as to be the true and fair value thereof, after at least  
13 five days' notice must have been given in writing to the owner or  
14 agent.

15 (b) They must reduce the valuation of each tract or lot or item  
16 which is returned above its true and fair value to such price or sum  
17 as to be the true and fair value thereof.

18 (c) They must raise the valuation of each class of personal  
19 property which is returned below its true and fair value to such  
20 price or sum as to be the true and fair value thereof, and they must  
21 raise the aggregate value of the personal property of each individual  
22 whenever the aggregate value is less than the true valuation of the  
23 taxable personal property possessed by such individual, to such sum  
24 or amount as to be the true value thereof, after at least five days'  
25 notice must have been given in writing to the owner or agent thereof.

26 (d) They must reduce the valuation of each class of personal  
27 property enumerated on the detail and assessment list of the current  
28 year, which is returned above its true and fair value, to such price  
29 or sum as to be the true and fair value thereof; and they must reduce  
30 the aggregate valuation of the personal property of such individual  
31 who has been assessed at too large a sum to such sum or amount as was  
32 the true and fair value of the personal property.

33 (e) The board may review all claims for either real or personal  
34 property tax exemption, or homestead exemptions under section 101 of  
35 this act, as determined by the county assessor, and must consider any  
36 taxpayer appeals from the decision of the assessor thereon to  
37 determine (i) if the taxpayer is entitled to an exemption, and (ii)  
38 if so, the amount thereof.

39 (2) The board must notify the taxpayer and assessor of the  
40 board's decision within forty-five days of any hearing on the



1 taxpayer's appeal of the assessor's valuation of real or personal  
2 property.

3 (3) The clerk of the board must keep an accurate journal or  
4 record of the proceedings and orders of the board showing the facts  
5 and evidence upon which their action is based, and the record must be  
6 published the same as other proceedings of county legislative  
7 authority, and must make a true record of the changes of the  
8 descriptions and assessed values ordered by the county board of  
9 equalization. The assessor must correct the real and personal  
10 assessment rolls in accordance with the changes made by the county  
11 board of equalization.

12 (4) The county board of equalization must meet on the 15th day of  
13 July or within fourteen days of certification of the county  
14 assessment rolls, whichever is later, and may continue in session and  
15 adjourn from time to time during a period not to exceed four weeks,  
16 but must remain in session not less than three days. However, the  
17 county board of equalization with the approval of the county  
18 legislative authority may convene at any time when petitions filed  
19 exceed twenty-five, or ten percent of the number of appeals filed in  
20 the preceding year, whichever is greater.

21 (5) No taxes, except special taxes, may be extended upon the tax  
22 rolls until the property valuations are equalized by the department  
23 of revenue for the purpose of raising the state revenue.

24 (6) County legislative authorities as such have at no time any  
25 authority to change the valuation of the property of any person or to  
26 release or commute in whole or in part the taxes due on the property  
27 of any person.

28 **Sec. 104.** RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each  
29 amended to read as follows:

30 (1) On the order of the county treasurer, ad valorem taxes paid  
31 before or after delinquency must be refunded if they were:

32 ~~((1))~~ (a) Paid more than once;

33 ~~((2))~~ (b) Paid as a result of manifest error in description;

34 ~~((3))~~ (c) Paid as a result of a clerical error in extending the  
35 tax rolls;

36 ~~((4))~~ (d) Paid as a result of other clerical errors in listing  
37 property;

38 ~~((5))~~ (e) Paid with respect to improvements which did not exist  
39 on assessment date;

1       ~~((6))~~ (f) Paid under levies or statutes adjudicated to be  
2 illegal or unconstitutional;

3       ~~((7))~~ (g) Paid as a result of mistake, inadvertence, or lack of  
4 knowledge by any person exempted from paying real property taxes or a  
5 portion thereof pursuant to RCW 84.36.381 through 84.36.389, as now  
6 or hereafter amended;

7       ~~((8))~~ (h) Paid as a result of mistake, inadvertence, or lack of  
8 knowledge by either a public official or employee or by any person  
9 with respect to real property in which the person paying the same has  
10 no legal interest;

11       ~~((9))~~ (i) Paid on the basis of an assessed valuation which was  
12 appealed to the county board of equalization and ordered reduced by  
13 the board;

14       ~~((10))~~ (j) Paid on the basis of an assessed valuation which was  
15 appealed to the state board of tax appeals and ordered reduced by the  
16 board: PROVIDED, That the amount refunded under (i) and (j) of this  
17 subsection~~((s (9) and (10) of this section shall))~~ may only be for  
18 the difference between the tax paid on the basis of the appealed  
19 valuation and the tax payable on the valuation adjusted in accordance  
20 with the board's order;

21       ~~((11))~~ (k) Paid as a state property tax levied upon property,  
22 the assessed value of which has been established by the state board  
23 of tax appeals for the year of such levy: PROVIDED, HOWEVER, That the  
24 amount refunded ~~((shall))~~ may only be for the difference between the  
25 state property tax paid and the amount of state property tax which  
26 would, when added to all other property taxes within the one percent  
27 limitation of Article VII, section 2 of the state Constitution equal  
28 one percent of the assessed value established by the board;

29       ~~((12))~~ (l) Paid on the basis of an assessed valuation which was  
30 adjudicated to be unlawful or excessive: PROVIDED, That the amount  
31 refunded ~~((shall be))~~ is for the difference between the amount of tax  
32 which was paid on the basis of the valuation adjudged unlawful or  
33 excessive and the amount of tax payable on the basis of the assessed  
34 valuation determined as a result of the proceeding;

35       ~~((13))~~ (m) Paid on property acquired under RCW 84.60.050, and  
36 canceled under RCW 84.60.050(2);

37       ~~((14))~~ (n) Paid on the basis of an assessed valuation that was  
38 reduced under RCW 84.48.065;

39       ~~((15))~~ (o) Paid on the basis of an assessed valuation that was  
40 reduced under RCW 84.40.039; or

1       (~~(16)~~) (p) Abated under RCW 84.70.010.

2       (2) No refunds under the provisions of this section (~~(shall)~~) may  
3 be made because of any error in determining the valuation of  
4 property, except as authorized in subsection(~~(9), (10), (11), and~~  
5 ~~(12)~~) (1) (i) through (l) of this section nor may any refunds be  
6 made if a bona fide purchaser has acquired rights that would preclude  
7 the assessment and collection of the refunded tax from the property  
8 that should properly have been charged with the tax. Any refunds made  
9 on delinquent taxes must include the proportionate amount of interest  
10 and penalties paid. However, no refunds as a result of an incorrect  
11 payment authorized under subsection (~~(8)~~) (1)(h) of this section  
12 made by a third party payee (~~(shall)~~) may be granted. The county  
13 treasurer may deduct from moneys collected for the benefit of the  
14 state's levies, refunds of the state's levies including interest on  
15 the levies as provided by this section and chapter 84.68 RCW.

16       (3) The county treasurer of each county must make all refunds  
17 determined to be authorized by this section, and by the first Monday  
18 in February of each year, report to the county legislative authority  
19 a list of all refunds made under this section during the previous  
20 year. The list is to include the name of the person receiving the  
21 refund, the amount of the refund, and the reason for the refund.

22                                           **PART II**

23                                           **Renter's Credit**

24       NEW SECTION. Sec. 201. The definitions in this section apply  
25 throughout this chapter unless the context clearly requires  
26 otherwise.

27       (1) "Claimant" means an individual or individuals who reside in  
28 the same household that have applied for or are receiving a renter's  
29 credit during the calendar year for which a claim was filed as  
30 provided in this chapter.

31       (2) "Community land trust" means a private, nonprofit  
32 organization created to acquire and hold land for the benefit of a  
33 community and provide secure affordable access to land and housing  
34 for community residents.

35       (3) "Cooperative ownership" means a type of residential housing  
36 where a corporation owns the housing units, and each resident is a  
37 shareholder in the corporation based in part on the relative size of  
38 the unit in which they reside.

1 (4) "Department" means the department of revenue.

2 (5) "Gross rent" means the amount of rent paid by a claimant in  
3 cash or its equivalent for the right of occupancy of a qualified  
4 residence, as may be adjusted by the department under section  
5 202(4)(f) of this act.

6 (6) "Manufactured/mobile home," "manufactured housing  
7 cooperative," "mobile home park cooperative," and "park model" have  
8 the same meanings as provided in RCW 59.20.030.

9 (7) "Principal place of residence" means a residence occupied for  
10 at least 183 days during a calendar year by a claimant. In the case  
11 of the renter's credit, a principal place of residence also includes  
12 multiple residences occupied, in the aggregate, for at least 183 days  
13 during a calendar year by a claimant.

14 (8) "Qualified residence" means the residence or residences  
15 occupied by the claimant for a total of at least 183 days during a  
16 calendar year, where any portion of such residence or residences are  
17 subject to state property taxes.

18 (9) "Rent constituting property taxes" means an amount equal to  
19 two percent of gross rent.

20 (10) "Renter's credit" means a refund of rent constituting  
21 property taxes as provided in section 202 of this act.

22 (11)(a) "Residence" means a single-family dwelling unit, whether  
23 the unit is separate or part of a multiunit dwelling, including the  
24 land on which the dwelling stands, regardless of whether ownership of  
25 the single-family dwelling unit and the land on which the dwelling  
26 unit stands is vested in the same person.

27 (b) "Residence" includes:

28 (i) A single-family dwelling unit situated upon lands the fee of  
29 which is vested in or held in trust by the United States or any of  
30 its instrumentalities, a federally recognized Indian tribe, the state  
31 of Washington or any of its political subdivisions, or a municipal  
32 corporation;

33 (ii) A single-family dwelling unit consisting of a manufactured/  
34 mobile home or park model that has substantially lost its identity as  
35 a mobile unit by virtue of it being fixed in location and placed on a  
36 foundation with fixed pipe connections with sewer, water, or other  
37 utilities;

38 (iii) A single-family dwelling unit consisting of a floating home  
39 as defined in RCW 82.45.032; and

1 (iv) An accessory dwelling unit that provides complete  
2 independent living facilities for one or more persons, including  
3 permanent provisions for living, sleeping, eating, cooking, and  
4 sanitation.

5 (c) "Residence" does not include a nursing home, assisted living  
6 facility, adult family home, or similar facility.

7 (12) "Single-family dwelling unit" means a structure maintained  
8 and used as a residential dwelling that is designed exclusively for  
9 occupancy for one family or household and includes permanent  
10 provisions for living, sleeping, eating, cooking, and sanitation  
11 facilities arranged and designed as permanent living quarters.

12 NEW SECTION. **Sec. 202.** (1) Beginning January 1, 2025, each  
13 claimant meeting the conditions of this section is eligible for a  
14 renter's credit in the form of a refund, subject to funds  
15 appropriated for this specific purpose. The renter's credit for a  
16 year is the amount of rent constituting property taxes paid in the  
17 immediately preceding calendar year with respect to a qualified  
18 residence.

19 (2) (a) (i) The renter's credit must be annually claimed in a form  
20 and manner required by the department by the last day of the calendar  
21 year for which the refund is claimed. The department may approve  
22 applications received after the deadline, as provided in section 203  
23 of this act.

24 (ii) The claimant must provide proof of gross rent paid for the  
25 prior year and a copy of a mutually signed rental or lease agreement  
26 between the landlord and tenant for the qualified residence or for  
27 each rental unit that together constitutes a qualified residence.

28 (iii) The department must provide claimants a paper application  
29 form upon request.

30 (b) The claimant must sign the application attesting that the  
31 rental property or properties for which the renter's credit is sought  
32 was the claimant's principal place of residence in the immediately  
33 preceding calendar year and to the truth of the other information in  
34 the application. The signature requirements in this subsection (2) (b)  
35 may be met by an electronic signature. All signatures on an  
36 application must be made under penalty of perjury as provided in  
37 chapter 9A.72 RCW.

38 (c) Where multiple individuals contribute to the payment of gross  
39 rent eligible for a credit under this section, the department need

1 only make a single refund payment unless the application for the  
2 renter's credit provides sufficient information for the department to  
3 split the refund payment among multiple individuals.

4 (3) Information about the renter's credit must be provided on the  
5 department's website, including qualifications and manner of making  
6 claims for the credit. Subject to funds appropriated for this  
7 specific purpose, the department must conduct public awareness and  
8 outreach efforts for the renter's credit.

9 (4) The following conditions apply to the renter's credit:

10 (a)(i) In the year immediately preceding the year for which a  
11 claimant submitted an application for a credit under this section,  
12 the claimant must have occupied one or more rental units constituting  
13 a qualified residence and paid gross rent; and

14 (ii) The claimant must be a Washington resident as of the date  
15 the claimant signed the application required under subsection (2) of  
16 this section. For purposes of this subsection (4)(a), "Washington  
17 resident" has the same meaning as in RCW 82.08.0206.

18 (b) The amount of the renter's credit for a qualified residence  
19 must not result in a refund that exceeds the amount that would be  
20 exempt under section 101 of this act, if the claimant were eligible  
21 for the homestead exemption on the qualified residence.

22 (c) The qualified residence for which a renter's credit is  
23 claimed must be subject to property taxation for the year for which  
24 the renter's credit is claimed.

25 (d) The claimant must have paid gross rent, with respect to a  
26 qualified residence, during the calendar year immediately preceding  
27 the year for which a claim for a renter's credit is made.

28 (e) The claimant must not have received a homestead exemption for  
29 the same year for which a renter's credit is claimed, except:

30 (i) For a qualified residence that includes a single-family  
31 dwelling unit owned by the claimant and located on leased land; and

32 (ii) In such cases, the refund under this section combined with  
33 the exemption under section 101 of this act may not exceed the  
34 allowable amount under section 101(2) of this act.

35 (f)(i) If the landlord and claimant have not dealt with each  
36 other at arm's length and the department determines that the gross  
37 rent paid by the claimant was excessive, the department may adjust  
38 the gross rent paid to a reasonable rental amount for purposes of  
39 rent constituting property taxes paid.

1 (ii) Any redetermination of gross rent under this subsection is  
2 subject to the appeal provisions under section 205 of this act.

3 (g) A person may not claim a renter's credit on behalf of a  
4 deceased individual.

5 NEW SECTION. **Sec. 203.** (1)(a) The department may approve  
6 applications after the applicable deadline in section 202 of this act  
7 when the application is filed within six months of the original  
8 deadline, and either:

9 (i) The claimant has not been late in filing an application under  
10 section 202 of this act with the department for the two years prior  
11 to the year for which the application was filed late; or

12 (ii) The claimant is able to substantiate that the late filing  
13 was caused by circumstances beyond the claimant's control.

14 (b) For purposes of this subsection (1), "circumstances beyond  
15 the claimant's control" means circumstances that are immediate,  
16 unexpected, or in the nature of an emergency, when the circumstances  
17 result in the claimant not having reasonable time or opportunity to  
18 file an application by the deadline. Depending on the particular  
19 facts of the claimant's situation, circumstances beyond the  
20 claimant's control may include:

21 (i) Serious illness of the claimant or a member of the claimant's  
22 immediate family, as defined in RCW 42.17A.005;

23 (ii) The application was mailed timely but inadvertently sent to  
24 the wrong agency;

25 (iii) The claimant received incorrect, ambiguous, or misleading  
26 written advice from the department regarding the qualifications or  
27 filing requirements for the renter's credit;

28 (iv) Natural disaster, such as flood or earthquake, occurring  
29 shortly before the filing deadline;

30 (v) Delay or loss of the application by the postal service, and  
31 documented by the postal service;

32 (vi) The unavoidable absence of the claimant shortly before the  
33 filing deadline, which does not include vacations, business trips,  
34 and the like;

35 (vii) The destruction of the claimant's primary residence by fire  
36 or other casualty shortly before the filing deadline;

37 (viii) The department did not respond within a reasonable time to  
38 the claimant's written request for an application for the renter's  
39 credit; or

1 (ix) Other circumstances of a similar nature as those described  
2 in this subsection (1)(b).

3 (2) If the department finds that a claimant does not meet the  
4 requirements for a renter's credit, the department must deny the  
5 claimant's application.

6 NEW SECTION. **Sec. 204.** (1)(a) If the department determines that  
7 the claimant received a renter's credit that the claimant was not  
8 entitled to, or received a larger refund than the claimant was  
9 entitled to, the department must assess against the claimant the  
10 overpaid amount. Such amounts are due within six months following the  
11 date the department issued the assessment.

12 (b) If the full amount due is not paid by the due date provided  
13 in (a) of this subsection, the department must add interest, as  
14 provided under RCW 82.32.050, to the amount due starting from the due  
15 date in (a) of this subsection until the amount due under this  
16 subsection (1) is paid in full to the department. Except as otherwise  
17 provided in this subsection (1), penalties may not be assessed on  
18 amounts due under this subsection (1).

19 (c) If an amount due under this subsection is not paid in full by  
20 the date due, or the department issues a warrant for the collection  
21 of amounts due under this subsection, the department may assess the  
22 applicable penalties under RCW 82.32.090.

23 (d) If the department finds by clear, cogent, and convincing  
24 evidence that a claimant knowingly submitted, caused to be submitted,  
25 or consented to the submission of, a fraudulent claim for a renter's  
26 credit under this chapter, the department must assess a penalty of 50  
27 percent of the overpaid amount. This penalty is in addition to any  
28 other applicable penalties assessed in accordance with (c) of this  
29 subsection. In addition, the claimant is barred from receiving a  
30 renter's credit under this chapter for the 10 years following the  
31 year for which the claimant submitted a fraudulent claim under this  
32 chapter.

33 (2) If, within the period allowed for refunds under RCW  
34 82.32.060, the department finds that a claimant received a lesser  
35 refund than the claimant was entitled to, the department must remit  
36 the additional amount due under this chapter to the claimant.

37 (3) Interest does not apply to renter's credit refunds under this  
38 chapter.



1        NEW SECTION.    **Sec. 205.**    (1)(a) If a claimant disagrees with any  
2 decision of the department affecting the claimant's eligibility for a  
3 renter's credit under this chapter, the amount of such exemption or  
4 credit, or the claimant's obligation to repay all or part of a refund  
5 under this chapter, the claimant may petition the department for a  
6 correction of the department's decision within 60 days of the date of  
7 the department's decision. The department may, in its discretion,  
8 grant extensions of the 60-day deadline under this subsection (1) but  
9 only when the department receives the request for extension in  
10 writing within the 60-day deadline in this subsection (1).

11        (b)(i) A petition for correction must be in a form and manner  
12 determined by the department; and

13        (ii) The petition must include an explanation of why the claimant  
14 believes the department's decision is legally incorrect.

15        (2) The department must consider a petition by a claimant under  
16 subsection (1) of this section and may:

17        (a) Grant or deny the petition based on the information provided  
18 in the petition and other information in the department's possession;  
19 or

20        (b) Grant a conference with the claimant, which must be informal  
21 under such procedures and processes as provided by rule of the  
22 department.

23        (3) The department may make such determination as may appear to  
24 it to be just and lawful and must mail a copy of its determination to  
25 the petitioner or provide a copy of its determination electronically  
26 as provided in RCW 82.32.135.

27        (4) A claimant who disagrees with a determination from the  
28 department under this section may appeal the determination to the  
29 board of tax appeals pursuant to the provisions of chapter 82.03 RCW  
30 and rules adopted by the board of tax appeals.

31        NEW SECTION.    **Sec. 206.**    (1) Subject to funds appropriated for  
32 this specific purpose, the department must develop and maintain a  
33 centralized computer system to facilitate the exchange of data  
34 between the department and each county assessor and county treasurer  
35 necessary to implement and administer this chapter.

36        (2) County assessors, county treasurers, and the department must  
37 work together to facilitate the electronic transfer to the department  
38 of information maintained by county assessors and county treasurers  
39 that is necessary to administer this chapter.

1 (3) The department may conduct audits of recipients of the  
2 renter's credit to determine whether the recipient was eligible for  
3 the credit and the proper amount of credit the recipient was eligible  
4 for, if any.

5 (4) The department may adopt such rules in accordance with  
6 chapter 34.05 RCW, and prescribe such forms, as the department deems  
7 useful to implement and administer this chapter.

8 NEW SECTION. **Sec. 207.** Chapter 82.32 RCW applies to the  
9 administration of the renter's credit in this chapter, to the extent  
10 that such provisions of chapter 82.32 RCW do not clearly conflict  
11 with the provisions of this chapter.

12 **Sec. 208.** RCW 82.03.190 and 2012 c 39 s 3 are each amended to  
13 read as follows:

14 (1) Except as provided in subsection (2) of this section, any  
15 person having received notice of a denial of a petition or a notice  
16 of determination made under RCW 82.32.160, 82.32.170, 82.34.110,  
17 (~~(or)~~) 82.49.060, or section 205 of this act may appeal by filing in  
18 accordance with RCW 1.12.070 a notice of appeal with the board of tax  
19 appeals within (~~(thirty)~~) 30 days after the mailing of the notice of  
20 such denial or determination. (~~(In)~~) Except as provided in this  
21 subsection, in the notice of appeal the taxpayer must set forth the  
22 amount of the tax which the taxpayer contends should be reduced or  
23 refunded and the reasons for such reduction or refund, in accordance  
24 with rules of practice and procedure prescribed by the board.  
25 However, if the notice of appeal relates to an application made to  
26 the department under chapter 82.34 RCW, the taxpayer must set forth  
27 the amount to which the taxpayer claims the credit or exemption  
28 should apply, and the grounds for such contention, in accordance with  
29 rules of practice and procedure prescribed by the board. If the  
30 notice of appeal relates to a determination under section 205 of this  
31 act, the notice must include an explanation of why the department's  
32 determination is incorrect. The board must transmit a copy of the  
33 notice of appeal to the department and all other named parties within  
34 thirty days of its receipt by the board. If the taxpayer intends that  
35 the hearing before the board be held pursuant to the administrative  
36 procedure act (chapter 34.05 RCW), the notice of appeal must also so  
37 state. In the event that the notice of appeal does not so state, the  
38 department may, within thirty days from the date of its receipt of

1 the notice of appeal, file with the board notice of its intention  
2 that the hearing be held pursuant to the administrative procedure  
3 act.

4 (2) No person may file a notice of appeal with the board of tax  
5 appeals to contest the amount of spirits taxes assessed or asserted  
6 to be due by the department of revenue unless the person has first  
7 paid the full amount of the contested spirits taxes. For purposes of  
8 this subsection, "spirits taxes" has the same meaning as in RCW  
9 82.08.155.

10 NEW SECTION. **Sec. 209.** RCW 82.32.805 and 82.32.808 do not apply  
11 to this act.

12 NEW SECTION. **Sec. 210.** Sections 201 through 207 of this act  
13 constitute a new chapter in a new title in the Revised Code of  
14 Washington, to be codified as Title 84A RCW.

15 NEW SECTION. **Sec. 211.** This act takes effect January 1, 2024,  
16 if the proposed amendment to Article VII of the state Constitution  
17 providing for the homestead exemption and renter's credit (Senate  
18 Joint Resolution No. . . . (S-0597/23)) is validly submitted to and  
19 is approved and ratified by the voters at the next general election.  
20 If the proposed amendment is not approved and ratified, this act is  
21 void in its entirety.

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