

July 29, 2019

Legislative Update – Engrossed Substitute Senate Bill 5160 Concerning Property Tax Relief Programs.

The 2019 Legislature passed Engrossed Substitute Senate Bill 5160 ([ESSB 5160](#)) amending the eligibility requirements for the Property Tax Exemption Program (Exemption Program) and Deferral Program for low-income senior citizens, individuals with disabilities, and veterans. The legislation is effective July 28, 2019, and applies to property taxes levied for collection in 2020.

What the bill does

This bill amends RCW's [84.36.381](#), [84.36.383](#), [84.36.385](#), [84.38.020](#), [84.38.030](#), [84.38.070](#), [84.38.130](#), [84.38.150](#). Below describe the notable changes.

Income requirements

Beginning with taxes levied for collection in 2020 (applications due in 2019), this bill:

- Revises the income thresholds necessary to qualify for the Exemption Program (RCW 84.36.383), as follows:
 - Income threshold 1 is the greater of \$30,000, or 45 percent of the median household income of the county where the residence is located.
 - Income threshold 2 is the greater of \$35,000, or 55 percent of the median household income of the county where the residence is located.
 - Income threshold 3 is the greater of \$40,000, or 65 percent of the median household income of the county where the residence is located.
- Revises the income threshold necessary to qualify for the Deferral Program (RCW 84.38.020) to be the greater of \$45,000 or 75 percent of the median household income of the county where the residence is located.
- Requires the Department of Revenue (Department) to update the income thresholds for both programs beginning August 1, 2019, and by March 1 every fifth year after. (Note: income thresholds can never be less than the previous year.)
- For both programs, beginning with the adjustment made by March 1, 2024, and then every second adjustment after:
 - If the income threshold in a county is not adjusted based on percentage of county median income, then the income threshold must be adjusted based on the growth of the consumer price index for all urban consumers for the prior 12-month period (as published by the US Bureau of Labor Statistics).
 - In no case may the adjustment be greater than one percent, and if the income threshold adjustment is negative, the income threshold for the prior year continues to apply.

The new income thresholds for tax years 2020 through 2024 for each county are available at: dor.wa.gov/incomethresholds.