

ORCA TALES

July 2009

“We can tell you more about them than their mother”

Volume 16 Issue 07

LEGISLATIVE UPDATE

2009 State Legislative Session

SB 5219-S Addressing the Potential Homeless. Creates a legislative task force to address housing for vulnerable individuals. Substitute bill adds a “focus group” to oversee. A follow-through to Senator Mike Carrell’s visit to WLA’s 2008 Spring Conference, Carrell is putting together a roster of participants (including WLA and other landlord groups) to address methods to encourage private landlords to provide housing to individuals at high risk of otherwise being homeless (including those with mental illnesses, criminal backgrounds, and chemical/alcohol dependency issues). Plans are to conduct such workshops this summer and fall. WLA is understandably cautious while trying to see this as a potential opportunity to introduce long-time, needed landlord reforms to landlord-tenant law (that have proven to be counter-productive to both landlords and tenants). Passed Senate, moving in House.

SB 5549-S(HB 1773) - Termination Notices. Replaces the 20-day no cause eviction notice with: 20 day for cause; 30 day for no cause. The 60 day no cause requirement for tenancy greater than one year was deleted as compromise urged by WLA lobbying. None-the-less, a set-back for law enforcement crime-free programs, and the general maintenance of peace and quiet, WLA will continue to give this issue top priority. Passed Committee, Died in Senate Rules.

SB 5742 (HB 1299) Crime Free Substitute bill keeps program voluntary and waives part of landlord’s business license/rental registration fee in exchange for program participation.

SB 5810 (HB 1942) – Foreclosures. Adds consumer protections including 60 days notice to evict tenants of foreclosed deeds of trusts. Requested by Gov. Gregoire. Passed Senate House

SB 5922 – Restrictions on Screening. This 10 page bill comes down hard on the screening process: 60 day no fee window, report copies to applicants, written rejection reason, court-ordered sealed records, victim protected records, no eviction filings (only court-ordered), \$1000 landlord penalties, etc. WLA submits this would result in landlords by-passing formal screening, making selections without the benefit of objective non-discriminatory data (like the old days!) .. a real step backwards for human rights. The idea of screening companies providing copies to applicants, along with 60-day no-fee window (for submittals to other landlords) has promise for both landlords and tenants. Died in Committee (Look for next year)!

HB 1298 (SB 5281, SB 5664) – Utility Liens. Limits to property liens that governments can impose on landlords/owners to pay tenant-delinquent utility bills. Introduced every year, this teaser never makes it out of session. WLA is concerned
continued on next page of this newsletter...

FOR SALE

Lake Chelan Properties
Chelan, Washington

Dan Folsom
Real Estate Broker
(& Rebekah’s Brother)

509-682-2371

**The Orcapod Wants to Wish You
All a Safe and Happy
Fourth of July!**



**In celebration, our office
will be closed on Saturday.**

ORCA ♦ WISDOM ♦

Your success in life does not altogether depend on ability and training; it also depends on your determination to grasp opportunities that are presented to you. Opportunities in life come by creation, not by chance.

What people in the know are saying about ORCA...

“Thank you all for your help with the flood of applications lately—I really appreciate it and am grateful to have you to rely on!!”

- Adam, Seattle Rental Group

over potential city backlash such as refusing to bill directly to tenants, and adopting stiff transfer fees to make up their losses.

Died in Senate, alive in House Rules.

HB 1426 – Certified Mail. When code requires registered or certified mail, and electronic return receipt confirmation provided by the post office may be used. Passed House, Senate Judiciary to Rules.

HB 1856 – (SB 5833-S) - Sexual Assault. Additional rights to tenants that are the victims of sexual advances by landlords, Substitute bill drops suits against landlord and requires more tenant security measures. Passed Senate & House.

HB 2362 – Filing Fee Surcharge. Adds an additional \$93 surcharge to the existing \$45 superior court filing fee for unlawful detainers filings. Another tax hit on business! Active in House committees.

Copies of these bills are available from the Washington State Legislative Information Center:

PO Box 450600

Olympia, WA 98504-0600

Phone 360-786-7573

Web site: www.leg.wa.gov

(Note: try the Web site, click bill info....works great!)

You can also call in your legislative concerns on the leg hot line:

1-800-562-6000

Bliss and Skeen

Certified Public Accountants

The newest Economic Stimulus Package. It has gotten big press for weeks. And as of today, when the President signed his name to it in Denver, it became law. When he put pen to paper, he signed the largest piece of legislation in United States' history. \$787 billion is a ton of money. About \$300 billion of that is tax breaks. As you all know, I am not an economist, I am a tax accountant. So I will stick to the part of the new package that I understand - the tax side.

With such a big price tag, lots of people are asking me what it will mean for them. Will they actually see any money themselves? My answer is always the same, "maybe". So lets look at the nuts and bolts of the new tax breaks that are most likely to affect you:

- **Getting another stimulus check?** Well, sort of. The 2009 stimulus amount will be \$400 for a single and \$800 for a married couple. But this time it wont be a check that arrives in the mail. Instead the IRS is issuing new withholding tables that will put an extra \$30 or so per month into your take home pay (by reducing your withholding.) Those that are self employed get to reduce their Estimated Tax Payments. (Retirees, veterans, and the disabled will get a \$250 check sometime during 2009.)
- **Receiving Unemployment payments in 2009?** The first \$2400 will be tax free. Though I still recommend you bite the bullet and elect for at least 10% withholding. Nothing is worse than losing your job, having to try and live on unemployment, and then owing tax with your return. Also, if you go the CIBRA route on your health insurance, you may qualify for a 65% subsidy thanks to the new rules.
- **Enjoying the Earned Income Credit?** Without getting into percentages and phase out amounts, EUC had improved. For 2009, more people will qualify and those that qualify will get more credit.

- **Buying a new car?** In 2009, even if you cant itemize, you get to deduct the sales tax on the first \$49,500 of purchase price. For someone in the 25% tax bracket, this might mean an additional \$1000 in tax savings. However, if you live in a state where you don't pay state income tax, you were already deducting the tax on that car; this new provision doesn't do you any good.
- **Buying a first home?** This provision is actually good. If you buy your first home between 1/1/09 and 11/30/09 you get a credit of up to \$8000. You may have heard about this already from the last "stimulus package" and heard it has to be repaid. As long as you don't sell that home within 3 years, you now don't have to give back the credit.
- **Helping your child through college?** The HOPE credit just got better. You now get a 100% credit on the first \$2000 you spend on tuition and 25% of the nest \$2000. The HOPE is now a four year credit, instead of two. And the credit doesn't start to phase out until your income reaches \$80k for singles and double that for married couples. On the other change; you are now allowed to spend Section 529 dollars on computer purchases.
- **Going green at home?** Certain energy saving improvements now qualify for a 30% credit, up to \$1500 total. The list of items that save some green by going green is long. Chances are good, whatever improvements you have planned in an attempt to save on your heat bill are going to qualify. If you want the full list, email me.
- **Worried about AMT (Alternative Minimum Tax)?** By bumping up the AMT exemption amount to approximately \$70k for married couples and \$47k for singles, the new rules saved 26 million taxpayers from getting hit with AMT.

There are also a bunch of provisions related to business owners. Many of them simply speed up when you get to take the deduction (bonus depreciation, increased first year right off, and the ability to carry back business losses 5 years, instead of just 3), but others can be real tax breaks for certain businesses (extending the renewable energy credits, a new manufacturing investment credit, and expanding the Work Opportunity Credits.)

The package had a ton of provisions and lots of opportunities for tax savings. But, it also further complicated tax law. If you have questions about any of the provisions here and want to some additional detail or clarification, call your tax advisor. If I am your tax advisor, call and invite me to lunch.

OCEANSIDE RENOVATING

Remodeling * Decks * Repairs

Derick S. Gonzalez

360-675-2866

360-320-8083

Serving: Island, Skagit, Whatcom and Snohomish Counties.