

# Property tax deferral for senior citizens and disabled persons

December 2019

If you are a senior citizen or disabled person with your residence in Washington State, there are two programs that may help you pay your property taxes and/or special assessments.

This publication provides an overview of the property tax deferral program that helps senior citizens and disabled persons postpone the payment of their property tax and/or special assessments.

For information about the property tax exemption program, see the Property Tax Exemption for Senior Citizens and Disabled Persons fact sheet.

## Program overview

Under the deferral program, the Washington State Department of Revenue pays the property taxes and/or special assessments\* on your behalf.

The deferred amount, plus interest, becomes a lien in favor of the state until the total amount is repaid. Property tax deferral is available for property taxes and/or special assessments on your qualifying residence and up to five acres\*\* of land. Mobile homes may qualify, even if the land where the mobile home is located is leased or rented.

## Eligibility requirements

To be eligible for this program you must meet the age or disability, ownership, occupancy, and income requirements.

### Age or disability

This program is only available to residents and property located in Washington State. You must meet one of the below criteria:

- At least 60 years of age by Dec. 31 of the year you apply.
- Unable to work because of a disability.
- At least 57 years of age and the surviving spouse or domestic partner, heir or devisee of a person who was receiving a deferral at the time of his/her death.

Your application must include proof of your age or disability.

### Ownership

You must own the home. An irrevocable trust may qualify.

A home owned jointly by a married couple, a registered domestic partnership, or by co-tenants is considered owned by each spouse, domestic partner, or co-tenant. Only one person must meet the age or disability requirement.

You are NOT eligible to defer your taxes if you have only a share ownership in cooperative housing, a life estate, a lease for life, or a revocable trust.



\*A special assessment is for a local improvement that directly benefits your property. Examples include assessments for sewers, lights, water, paving, or curbing. Special assessments are also known as Local Improvement Districts (LIDs) or Utility Local Improvement Districts (ULIDs).

\*\*The deferral is available for a residence and one acre of land. If local zoning and land use regulations require more than one acre of land per residence in the area where you live, you may be eligible for a property tax deferral on up to five acres of land.

**Occupancy**

Your residence must be your principal place of residence. Meaning, you must occupy your residence for more than nine months in a calendar year.

Your residence may qualify even if you are temporarily in a hospital, nursing home, boarding home, adult family home, or home of a relative for long-term care. You may rent your residence to someone else during your stay in one of these facilities if the rental income is used to pay the facility costs.

Property used as a vacation home is not eligible for the deferral program.

**Household income**

Your annual household disposable income may not exceed the *Deferral Threshold* ([dor.wa.gov/incomethresholds](http://dor.wa.gov/incomethresholds)). For more information on how income is calculated, see Calculating Your Disposable Income.

If your household income is less than or equal to *Income Threshold 3*, you must apply for the Property Tax Exemption Program for Senior Citizens and Disabled Persons before you apply for the deferral program. Contact your local county assessor's office for an application packet.

Household income includes your disposable income and the disposable income of your spouse or domestic partner and any co-tenants. A co-tenant is a person who lives in your home and has an ownership interest in your home.

Household income does not include income of a person who:

- Lives in your home but is not your spouse or domestic partner and does not have an ownership interest in your home. However, you must include any income that person contributes to the

household (for example, rent, utilities, groceries, etc.).

- Does not live in your home but has an ownership interest in your home. If someone living elsewhere has an ownership interest in your residence, the amount of your deferral will be limited by your ownership equity in your home.

**Property taxes and special assessments eligible for deferral**

The amount of equity you have in your home determines the amount of property taxes and/or special assessments eligible for deferral.

Equity is the difference between the assessed value of the property and any debts secured by the property. On your application form, you must provide current balances for all debts that are secured by the property.

Providing you meet all qualifications and maintain adequate fire and casualty insurance, you may defer taxes and special assessments in an amount up to 80% of your equity.

Following is an example of the equity calculation:

	Equity
Land assessed value	\$100,000
Dwelling assessed value	+ \$150,000
<hr/>	
Total assessed value included in calculation	\$250,000
Mortgage balance	- \$150,000
<hr/>	
Equity value for deferral program	\$100,000
80% of equity value – maximum deferral	\$80,000

You must carry fire and casualty insurance, and the State of Washington Department of Revenue must be listed as a "Loss Payee" on your policy, otherwise, we cannot include the value of your dwelling in

the calculation. Provide a copy of the summary declaration for your policy when you submit your application.

**Calculating your disposable income**

The disposable income you receive during the year before you submit your application determines your eligibility. You must use your 2019 income to qualify for this deferral in 2020. If there was a change in your income prior to November 1 and the change is expected to last indefinitely, you may estimate annual income by multiplying your new average monthly income by 12.

Disposable income is defined in statute (RCW 84.36.383) and includes income from all sources, whether or not the income is taxable for federal income tax purposes. You must include nontaxable income such as social security, and you may not deduct losses and depreciation or use losses to offset gains.

Legislation passed in 2008 allows the exclusion of veterans' disability compensation and dependency and indemnity compensation paid by Department of Veterans Affairs.

You may deduct non-reimbursed amounts paid by you, your spouse, or your domestic partner for the following:

- Amounts you pay for yourself, your spouse, or your domestic partner to live in a nursing home, boarding home, or adult family home.
- Insurance premiums for Medicare under Title XVIII of the Social Security Act.
- Amounts paid for prescription drugs for yourself, your spouse, or your domestic partner.
- Amounts you pay for goods and services that allow you, your spouse, or your domestic partner to receive in-home care. In-home care

includes medical treatment, physical therapy, Meals on Wheels (or similar services), and household and personal care. Personal care includes assistance with preparing meals, getting dressed, eating, taking medications, or personal hygiene. Special furniture and equipment such as wheelchairs, hospital beds, and oxygen also qualify.

### Applying for the deferral

Your county assessor administers this program and is responsible for determining if you meet the qualifications. Contact your local assessor's office to request an application form.

You should apply at least 30 days before payment of the property taxes and/or special assessments is due. Filing a complete application at least 30 days before your tax and/or special assessment is due helps avoid late payment penalties and interest. If you are applying to stop the county treasurer from foreclosing for unpaid taxes, you should apply within 30 days of receiving the foreclosure notice. If you have unpaid taxes or special assessments from prior years you may request payment for the prior years on the same application form. You do not need to submit a separate application for each year.

### Sign the application

You, your agent, or your legal guardian must sign the application. Any others who have an ownership interest in the property must also sign the application.

The lien holder's (mortgage holder) notarized signature must be on the application if ALL three of the following apply:

- The property is under mortgage, purchase contract, or a deed of trust.
- The mortgage or purchase contract

requires a reserve account for the payment of taxes.

- The lien holder (mortgage holder) wants their lien to have priority over the deferred tax lien.

### Annual application

The deferral is not automatic and you must file a renewal application each year.

If you are deferring special assessments, you must choose the installment payment method if it is available.

### Appeal process

The county assessor must notify you in writing if your application is denied. You may appeal the assessor's decision to the county Board of Equalization. The county Board of Equalization must receive your appeal by July 1, or within 30 days of when the denial notice was mailed, whichever date is later.

### Repaying the deferral

The deferred amount and interest must be repaid when one of the following occurs:

- You transfer or convey your property to someone else.
- You no longer permanently reside at the residence.
- Your property is condemned.
- You no longer maintain fire and casualty insurance listing the Washington State Department of Revenue as a loss payee in an amount that is sufficient to protect the interest of the state, and the deferred amount exceeds 100% of your equity in only the land value.
- Upon your death, unless your surviving spouse, domestic partner, heir or devisee is at least 57 years old, meets the qualifications for the deferral, and files an application with the county assessor within 90 days of your death.

### Rate of interest

Taxes deferred on or after Jan. 1, 2007 accrue interest at an annual rate of 5%. Taxes deferred before Jan. 1, 2007 accrue interest at an annual rate of 8%.

### Laws and rules

Revised Code of Washington (RCW) Chapter 84.38—Deferral of Special Assessments and/or Property Taxes  
Washington Administrative Code (WAC) Chapter 458-18—Property Tax - Abatements, Credits, Deferrals, and Refunds

### For more information

If you need an application form or have questions about the application process, contact your local county assessor's office.

**Visit our website at  
[dor.wa.gov](http://dor.wa.gov)**

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# Deferral Application for Senior Citizens and Disabled Persons

Complete this application and file it with your local County Assessor at least **30 days prior to the date the taxes or special assessments are due**. For assistance in completing this form contact your County Assessor's Office by calling the number listed in the local government section of your telephone directory.

**1. This deferral application is for (check all that apply and list all tax years to be paid):**

- Real Property Taxes due in the **year(s)**: \_\_\_\_\_
- Special Assessments due: \_\_\_\_\_ in \_\_\_\_\_ **Complete Part 4 on page 2.**  
Month and Day Year(s)

Applicant: \_\_\_\_\_ Age: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
 Spouse or Domestic Partner: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Home Ph: \_\_\_\_\_ Cell Ph: \_\_\_\_\_ Email : \_\_\_\_\_  
 Co-tenants (someone who lives with you AND has an ownership interest in your home):  
 \_\_\_\_\_  
 Other occupants: \_\_\_\_\_  
 Property Address, if different than mailing: \_\_\_\_\_  
 Property City: \_\_\_\_\_ Property Zip: \_\_\_\_\_  
 County Parcel No: \_\_\_\_\_

**2. Please check the appropriate box. Proof of age or disability is required.**

- I am or will be 60 years of age or older by December 31 of the tax current year.
- I am under 60 years of age and I am retired from \_\_\_\_\_ Date of  
 regular gainful employment due to a disability. Disability: \_\_\_\_\_
- I am the surviving spouse/domestic partner/heir/devisee of a person who  
 was previously receiving this deferral and I was at least 57 years of age  
 in the year they passed away. Date of Death: \_\_\_\_\_

**Ownership and Occupancy:** Date Property Purchased: \_\_\_\_\_

**I occupy the residence (check one):**  more than 9 months in a calendar year  less than 9 months in a calendar year

**NOTE:** Share ownership in cooperative housing, life estates, leases for life, and revocable trusts do not satisfy the ownership requirement for this program. You *may* still qualify if you are temporarily confined to a hospital, nursing home, assisted living facility, adult family home or home of a relative for the purpose of long-term care.

**Mortgage Information:**

- Yes**  **No** I have a mortgage, purchase contract, or deed of trust. **If yes**, report your mortgage balance in Part 8 on page 4 **and** answer the question below.
- Yes**  **No** My mortgage company withholds a certain amount each month to pay my taxes. **If yes, see Part 5 on page 2.** Your lender must sign this application either before a Notary Public or before the assessor or his/her deputy. This ensures the first lien position of the mortgage lender.

This box to be completed by the Assessor's Office	True and Fair (Market) Value as of January 1 of the Application Year
Date approved or denied by Assessor: _____	Land: \$ _____
Application number: _____	Building: \$ _____
Reason if Denied: _____	
<b>**Note:</b> If no insurance <b>OR</b> if state is not listed as "loss payee", use land value for Total Eligible Value and then stop at "Equity Value".	<b>Total: \$</b> _____
<b>Total Eligible Value</b>	<b>Equity Calculation</b> \$ _____
<b>Total Liens and Obligations from Page 4:</b>	\$ _____
<b>Equity Value** = Total Eligible Value minus Total Liens and Obligations:</b>	\$ _____
<b>Deferral Limit = 80% of Equity Value:</b>	\$ _____

3. My residence is a  Single family dwelling  Multi-unit dwelling/condominium  Mobile home

Mobile Homes: Do you own the land the mobile home is located on:  Yes  No If "yes", has the title been eliminated?  Yes  No Date of title elimination if applicable: \_\_\_\_\_

Name of mobile home park if applicable: \_\_\_\_\_ Space No: \_\_\_\_\_

This property includes: (Check all that apply)

- My residence and up to one acre of land  My residence and more than one acre of land  
 More than one residence and/or additional improvements that are not normally part of a residence (i.e. commercial buildings or improvements)

My total parcel or lot size: \_\_\_\_\_ acres

If larger than one acre, what is the minimum parcel size required for each residence by local zoning or land use regulations: \_\_\_\_\_ acres

If local zoning and land use regulations require more than 1 (one) acre of land per residence in the area where you live you may be able to defer the property taxes for your entire parcel, up to 5 (five) acres.

- Check one box:  I have attached the legal description for my residence and one (1) acre encompassing the residence (or up to five (5) acres if the excess acreage is required by local land use regulations). I understand that if I choose this option the value included in my equity calculation will only include the value for this portion of my property.  
 I have elected to allow you to file your lien on my entire parcel, even though the deferral of taxes or assessments may not cover the entire parcel. I understand that if I choose this option the value of my entire legal parcel can be included in the equity calculation.

4. For special assessment deferrals, the following information must be supplied:

	Assessment #1	Assessment #2
Jurisdiction to whom the special assessment is paid.....	_____	_____
Type of improvement or special assessment.....	_____	_____
LID, ULID or special assessment number.....	_____	_____
Annual due date(s) .....	_____	_____
Was the installment method selected for payment?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Available	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Available

5. To be completed by your lender if your monthly mortgage payment includes an amount to pay real property taxes. (See Mortgage Information under Part 2 on page 1.)

Auditor's File No: \_\_\_\_\_ Lien Type:  Mortgage or  Deed of Trust

Name of mortgage company or holder of contract or deed: \_\_\_\_\_

To ensure first lien position, the lender must sign this application either before a Notary Public or before the assessor or his/her deputy.

\_\_\_\_\_  
Signature of Mortgage Company Representative, Contract Holder, etc. Title

Subscribed and sworn to before me this \_\_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_  
(year)

Notary Public or Assessor or Deputy in and for the State of \_\_\_\_\_  
residing at \_\_\_\_\_

My signature here confirms that my lender refused to sign this application: \_\_\_\_\_

**Combined Disposable Income Worksheet**

As defined in RCW 84.36.383 and WAC 458-16A-100

**IMPORTANT: PLEASE ANSWER ALL OF THE FOLLOWING QUESTIONS.**

**Income:**

- A.  Yes  No **Did you file a federal tax return?** If yes, enter your Adjusted Gross Income (AGI) from your federal tax return and attach a complete copy of your return. If no, enter 0.
- B.  Yes  No **Did you have capital gains that were not reported on your tax return?** Do not add the gain from the sale of a primary residence if you used the entire gain to purchase a replacement residence within the same year. Do not use losses to offset gains.
- C.  Yes  No **Did you have deductions for losses included in your tax return?** If yes, the losses must be added back to the extent they were used to offset/reduce income. (Ex: On Schedule D, you reported a (\$10,000) loss but the loss was limited to (\$3,000), shown on Sch 1, Line 13 of your 1040. Add the (\$3,000) loss used to offset/reduce your income.) (Ex: You filed two Sch C's – one with a (\$10,000) loss and one with a \$5,000 net income. A net loss of (\$5,000) was reported on your 1040, Sch 1, Line 12. Add back the (\$10,000) loss.)
- D.  Yes  No **Did you deduct depreciation expense in your tax return?** If yes, that expense must be added back to the extent the expense was used to reduce your income. (Ex: Net loss reported: If you deducted depreciation as a business and/or rental expense that resulted in a loss, recalculate the net income/loss without the depreciation expense. If there is still a net loss enter -0- here, if there is net income enter the net income here.)
- E.  Yes  No **Did you have nontaxable dividend or interest income, OR, income from these sources that was not reported on your tax return?** If yes, add that income here. Include non-taxable interest on state and municipal bonds.
- F.  Yes  No **Did you have nontaxable pension and annuity income, OR, income from these sources that was not reported on your tax return?** If yes, report the amounts here. (Ex: You received \$10,000 in pensions and annuities. The taxable amount was \$6,000. Report the nontaxable \$4,000 here.) Do not include non-taxable IRA distributions.
- G.  Yes  No **Did you receive military pay and benefits that were nontaxable, OR, income from these sources that was not reported on your tax return?** If yes, report that income here, including CRSC. Do not include attendant-care and medical-aid payments.
- H.  Yes  No **Did you receive veterans pay and benefits from the Department of Veterans Affairs that was nontaxable, OR, that was not reported on your tax return?** If yes, report that income here. Do not include attendant-care and medical-aid payments, disability compensation, or dependency and indemnity compensation paid by DVA.
- I.  Yes  No **Did you receive nontaxable Social Security or Railroad Retirement Benefits?** If yes, report that income here. (Ex: Your gross Social Security benefit was \$10,000 and \$4,000 was included in AGI as the taxable amount, report the non-taxable \$6,000 here.)
- J.  Yes  No **Did you receive income from business, rental, or farming activities (IRS Schedules C, E, or F) that was not reported on your tax return?** Report that income here. You can deduct normal expenses, except depreciation expense, but do not use losses to offset income.
- K.  Yes  No **Did you receive Other Income that is not included in the amounts on Lines A - J?** Give source, type, and amount. \_\_\_\_\_

**Subtotal Income:**

**Did you have any of the following Allowable Deductions?**

- L.  Yes  No **Nursing Home, Boarding Home, or Adult Family Home costs.**
- M.  Yes  No **In-Home Care expenses.** See instructions for qualifying expenses.
- N.  Yes  No **Prescription Drug costs.**
- O.  Yes  No **Medicare Insurance Premiums under Title XVIII of the Social Security Act (Parts B, C, and D).** Currently, there is no allowable deduction for supplemental, long-term care, or other types of insurance premiums.
- P.  Yes  No **Enter -0- here if you filed a return with IRS and entered an amount on Line A.** If you did not file a return with IRS and you had expenses normally allowed by IRS as adjustments to gross income, enter those deductions here. Allowable adjustments include alimony you paid, tuition, moving expenses, and others. See the instructions.

**Subtotal Allowable Deductions:**

**Total Combined Disposable Income:**

**County Use Only:** \_\_\_\_\_

20____ Income Year	County Use Checklist
<b>\$\$ Amount</b>	<input type="checkbox"/> IRS Tax Return <input type="checkbox"/> 1040 <input type="checkbox"/> 1040-A or EZ
	<input type="checkbox"/> Sch D <input type="checkbox"/> Form 4797 or 6252 <input type="checkbox"/> Other _____
	<input type="checkbox"/> Sch C <input type="checkbox"/> Sch D <input type="checkbox"/> Sch E <input type="checkbox"/> Sch F <input type="checkbox"/> Other _____
	<input type="checkbox"/> Sch C <input type="checkbox"/> Sch E <input type="checkbox"/> Sch F <input type="checkbox"/> Sch K-1 <input type="checkbox"/> Other _____
	<input type="checkbox"/> Bank Statements <input type="checkbox"/> 1099's <input type="checkbox"/> Other _____
	<input type="checkbox"/> 1099's <input type="checkbox"/> Other _____
	<input type="checkbox"/> DFAS Statement <input type="checkbox"/> 1099's <input type="checkbox"/> Other _____
	<input type="checkbox"/> VA Statement <input type="checkbox"/> 1099's <input type="checkbox"/> Other _____
	<input type="checkbox"/> SS Statement <input type="checkbox"/> RRB Statement
	<input type="checkbox"/> Sch C <input type="checkbox"/> Sch E <input type="checkbox"/> Sch F <input type="checkbox"/> Other _____
	<input type="checkbox"/> Other _____ <input type="checkbox"/> Other _____
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Printout/Receipt
	<input type="checkbox"/> SS Statement <input type="checkbox"/> Other _____
	<input type="checkbox"/> _____ <input type="checkbox"/> _____

7. My home is insured:  No  Yes If yes, my Fire and Casualty Insurance is provided by:

Company Name: \_\_\_\_\_ Policy No.: \_\_\_\_\_

Amount of dwelling coverage: \$ \_\_\_\_\_ Policy Expiration Date: \_\_\_\_\_

Local agent: \_\_\_\_\_ Agent's Phone No.: \_\_\_\_\_

Washington State Department of Revenue is listed as a "Loss Payee" on my policy.  Yes  No

If Washington State Department of Revenue is not listed as a loss payee on your insurance policy, the value of your dwelling cannot be included in the equity calculation and your equity will be based on the value of the land only. For documentation, you must provide a copy of your current policy declaration. Listing information: Washington State Department of Revenue, Property Tax Division, PO Box 47471, Olympia WA 98504-7471; Deferral Account Number

8. Liens and obligations

You must report the current balances of all mortgages and liens against the property. Do not report your deferral account balance.

<input type="checkbox"/> Yes	<input type="checkbox"/> No	Reverse Mortgage ( <i>lien balance</i> )	\$ _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	1 <sup>st</sup> Mortgage (lien balance)	\$ _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2 <sup>nd</sup> Mortgage (lien balance)	\$ _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Special assessment balance(s)	\$ _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Balance on other liens, lines of credit, etc.	\$ _____

TOTAL Liens and Obligations \$ \_\_\_\_\_

9. By signing this form I confirm that:

- I understand that any deferred special assessments and/or real property taxes, together with interest, are a lien upon this property and that this lien becomes due and payable upon:
  - Sale or transfer of this property.
  - My death unless my surviving spouse/domestic partner/heir/devisee, if qualified, elects to continue the deferral. (Your spouse/domestic partner/heir/devisee must file an application to continue the deferral within ninety (90) days of your date of death.)
  - Condemnation of this property by a public or private body exercising the power of eminent domain, except as otherwise provided in RCW 84.60.070.
  - Such time as I no longer reside permanently at the residence.
  - Failure to keep fire and casualty insurance in sufficient amount to protect the interest of the state, unless the deferred amount does not exceed my equity value in the land or lot only.
- I swear under the penalties of perjury that the information reported on this application form is true and complete. I understand that an incomplete application will delay my property tax payment.
- I understand that **future deferrals are not automatic** and that I must renew my application if I want to defer my property taxes or special assessments next year.
- I understand that the annual interest rate on deferrals made on or after January 1, 2007 is 5%.
- I have attached copies of documents supporting my income information, current mortgage and lien balances, and current fire and casualty insurance declaration.

<b>Your Signature (or the signature of your authorized agent)</b>	<b>Date</b>	<b>Percentage of Ownership Interest</b>
_____	_____	%
<b>Signatures of all other owners of interest on the deed</b>	<b>Phone</b>	<b>Date</b>
_____	_____	_____
		%
_____	_____	_____
		%
_____	_____	_____
		%

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**Instructions for Completing the Income Section of the  
Deferral Application for Senior Citizens and Disabled Persons**

**To avoid delays in processing your application, remember to answer all questions, include all of the required documentation, and sign the form.** Anyone who has an ownership interest in the property must sign the form.

Leave the "County Use Only" areas blank.

You must include documentation showing you meet the age or disability requirement. You must also include documentation of your income; account balances for existing mortgages or other liens against your property; and a copy of your insurance policy showing the State of Washington Department of Revenue listed as "loss payee". Without insurance documentation, we will only include land value in the equity calculation. If you have questions about what to include, contact your County Assessor's Office.

**Instructions for Completing the Income Section**

**How is disposable income calculated?**

The Legislature gave "disposable income" a specific definition. According to RCW 84.36.383(5), "disposable income" is adjusted gross income, as defined in the federal internal revenue code, plus all of the following that were not included in, or were deducted from, adjusted gross income:

- ◆ Capital gains, other than a gain on the sale of a principal residence that is reinvested in a new principal residence;
- ◆ Amounts deducted for losses or depreciation;
- ◆ Pensions and annuities;
- ◆ Social Security Act and railroad retirement benefits;
- ◆ Military pay and benefits other than attendant-care and medical-aid payments;
- ◆ Veterans pay and benefits other than attendant-care, medical-aid payments, veterans' disability benefits, and dependency and indemnity compensation; and
- ◆ Dividend receipts and interest received on state and municipal bonds.
- ◆ **This income is included in "disposable income" even when it is not taxable for IRS purposes.**

**Important:** Include all income sources and amounts received by you, your spouse/domestic partner, and any co-tenants during the application/assessment year (the year before the tax is due). If you report income that is very low or zero, attach documentation showing how you meet your daily living expenses. Use **Line K** to report any income not reported on your tax return and not listed on Lines A through J.

**What if my income changed in mid-year?**

If your income was substantially reduced (or increased) for at least two months before the end of the year and you expect that change in income to continue indefinitely, you can use your new average monthly income to estimate your annual income. Calculate your income by multiplying your new average monthly income (during the months after the change occurred) by twelve.

**Example:** You retired in September and your monthly income was reduced from \$3,500 to \$1,000 beginning in October. Multiply \$1,000 x 12 to estimate your new annual income.

- ◆ **Report this amount on Line K** and do not complete Lines A through J. Provide documentation that shows your new monthly income and when the change occurred.

**Line K – Report all household income not already included or discussed on Lines A through J.** Include foreign income not reported on your federal tax return and income contributed by other household members not shown in Part 1. Provide the source and amount of the income.

**Lines L - O - What is combined disposable income?**

RCW 84.36.383(4) defines "combined disposable income" as your disposable income plus the disposable income of your spouse or domestic partner and any co-tenants, minus amounts paid by you or your spouse or domestic partner for:

- ◆ Prescription drugs;
- ◆ Treatment or care of either person in the home or in a nursing home, boarding home, or adult family home; and
- ◆ Health care insurance premiums for Medicare. (At this time, other types of insurance premiums are not an allowable deduction.)

Care or treatment in your home means medical treatment or care received in the home, including physical therapy. You can also deduct costs for necessities such as oxygen, special needs furniture, attendant-care, light housekeeping tasks, meals-on-wheels, life alert, and other services that are part of a necessary or appropriate in-home service.

**Special instructions for Line P.**

If you had adjustments to your income for any of the following and you did not file an IRS return, report these amounts on Line P and include the IRS form or worksheet you used to calculate the amount of the adjustment.

- ◆ Certain business expenses for teachers, reservists, performing artists, and fee-basis government officials
- ◆ Self-employed health insurance or contributions to pension, profit-sharing, or annuity plans
- ◆ Health savings account deductions
- ◆ Moving expenses
- ◆ IRA deduction
- ◆ Alimony paid
- ◆ Student loan interest, tuition, and fees deduction
- ◆ Domestic products activities deduction

**CONTACT YOUR COUNTY ASSESSOR'S OFFICE FOR  
ASSISTANCE IN COMPLETING THIS FORM.**

**Income Thresholds**  
**For Senior Citizen and Disabled Persons**  
**Property Tax Exemption and Deferral**  
**For Tax Years 2020-2024**

County	Income Threshold 1	Income Threshold 2	Income Threshold 3	Deferral Threshold
Adams	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Asotin	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Benton	<del>30,000</del>	<del>35,640</del>	<del>42,084</del>	<del>48,559</del>
Chelan	<del>30,176</del>	<del>36,882</del>	<del>43,588</del>	<del>50,294</del>
Clallam	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Clark	<del>34,856</del>	<del>42,602</del>	<del>50,348</del>	<del>58,094</del>
Columbia	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Cowlitz	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Douglas	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Ferry	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Franklin	<del>30,681</del>	<del>37,498</del>	<del>44,316</del>	<del>51,134</del>
Garfield	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Grant	30,929	37,802	44,675	51,549
Grays Harbor	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Island	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Jefferson	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
King	<del>40,447</del>	<del>49,435</del>	<del>58,423</del>	<del>67,411</del>
Kitsap	<del>32,628</del>	<del>41,404</del>	<del>49,574</del>	<del>58,047</del>
Kittitas	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Klickitat	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,778</del>
Lewis	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Lincoln	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Mason	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,552</del>
Okanogan	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Pacific	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Pend Oreille	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Pierce	<del>31,644</del>	<del>38,676</del>	<del>45,708</del>	<del>52,741</del>
San Juan	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,058</del>
Skagit	<del>30,000</del>	<del>35,860</del>	<del>42,000</del>	<del>48,042</del>
Skamania	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,148</del>
Snohomish	<del>38,581</del>	<del>47,167</del>	<del>55,743</del>	<del>64,318</del>
Spokane	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Stevens	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Thurston	<del>33,828</del>	<del>41,005</del>	<del>48,586</del>	<del>56,008</del>
Wahkiakum	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Walla Walla	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Whatcom	<del>30,000</del>	<del>35,575</del>	<del>42,042</del>	<del>48,514</del>
Whitman	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>
Yakima	<del>30,000</del>	<del>35,000</del>	<del>40,000</del>	<del>45,000</del>