

CHECKLIST

DEFERRAL FOR HOMEOWNERS WITH LIMITED INCOME

APPLICATION MUST BE SUBMITTED PRIOR TO SEPTEMBER 1, 2023

Attached is an application for the Deferral for Homeowners with Limited Income program for the second half of the **2023 property taxes using your 2022 income (may not exceed \$57,000)**. You must pay your first half 2023 property taxes to submit this application. Application can be made for your primary residence only, which you must occupy.

Documentation must be provided for:

- **Income – including a copy of your 2022 Federal tax return**
- **Mortgage or Lien (2022 year-end) balance documents**
- **Verification of first half property taxes paid**
- **Fire & Casualty insurance policy – with the State of WA Department of Revenue listed as loss payee**
- **Proof of ownership – Copy of your deed. You must have owned the property for more than 5 years**

Please READ & COMPLETE all areas of the application.

Your **signature is required** on page 2. If applicable, the signature(s) of any other interested owners on the deed are also required.

Please be aware, this program creates a lien on your property and the deferred amount must be repaid to Washington State should you sell or transfer ownership of the home, move, if your property is condemned, or upon your death.

Return the application and required documentation to the Snohomish County Assessor's Office, Exemption Department, 3000 Rockefeller Ave #510, Everett WA 98201 in the envelope provided. If approved, it will be forwarded to the **Washington State Department of Revenue** for their approval and payment. Repayment to the State may be made at any time in any amount during your ownership. For any payoff amounts, please call the Department of Revenue in Olympia at **1-360-534-1410**. If you have any questions regarding this deferral application, please call the Exemption Department at (425) 388-3540.

Deferral Application for Homeowners with Limited Income

Chapter 84.37 RCW

Complete this application in its entirety and file along with all supporting documents at your county assessor’s office. File no later than September 1 in the year the taxes are due. For assistance, contact your county assessor at dor.wa.gov/countycontacts.

County use only

Deferral number: _____ Processed by: _____

Approve/deny date: _____ Deny reason: _____

This deferral application is for the second half of real property taxes due in the year.

Year: _____ Parcel or account number: _____

1 Applicant information

Applicant name: _____ Date of birth: _____

Spouse/domestic partner or co-tenant name: _____ Date of birth: _____

Other occupants: _____

Residence address: _____

City: _____ State: _____ Zip: _____

Mailing address (if different than residence address): _____

City: _____ State: _____ Zip: _____

Home phone: _____ Cell phone: _____ Email: _____

2 Ownership and occupancy

Date property purchased: _____ Date property initially occupied: _____

I occupy the residence: More than 6 months in a calendar year. Less than 6 months in a calendar year.

3 Property information

Type of residence:

Single-family home Single unit of a multi-unit dwelling duplex/condo Mobile home

If mobile home, provide a copy of the Department of Licensing Certificate of Title or Title Elimination document.

This residence includes:

Less than or equal to one acre of land.

More than one acre of land.

If more than one acre, list the zoning regulation for your parcel.

Homeowners insurance: Yes No

If yes, provide a copy of your most recent Fire and Casualty Insurance policy and/or statement. See the instructions for more information regarding homeowners insurance.

To ask about the availability of this publication in an alternate format for the visually impaired, please call 360-705-6705. Teletype (TTY) users may use the WA Relay Service by calling 711.

Liens and obligations (include balance as of January 1)

Reverse Mortgage	Yes	No \$
1st Mortgage	Yes	No \$
2nd Mortgage	Yes	No \$
Special assessments	Yes	No \$
Other liens, HELOC, etc.	Yes	No \$

4 Combined disposable income

Year:

Total combined disposable income from the [Combined Disposable Income Worksheet](#): \$
(See instructions. Submit your completed worksheet with this application.)

5 Certification

By signing this form, I confirm that I:

- Understand that any deferred real property taxes and/or special assessments, with interest, are a lien upon this property and the lien becomes due when:
 - I transfer ownership of your property to someone else.
 - I no longer permanently reside at the residence.
 - My property is condemned.
 - I no longer maintain a fire and casualty insurance policy naming 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 my equity in only the land value.
 - I die. Unless my 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.
- Understand that future deferrals are not automatic and I must renew my application to defer property taxes in a future year.
- Understand the annual interest rate on deferrals made in 2021 is 3%.
- Declare under penalty of perjury that the information in this application is true and complete.

Applicant signature:

Date:

Percent ownership:

Spouse/domestic partner signature:

Date:

Percent ownership:

Other owner signature:

Date:

Percent ownership:

Instructions for completing the application

Complete Parts 1 through 5 in their entirety and include supporting documents to avoid delays in application processing. If you have questions, contact your county assessor's office at dor.wa.gov/countycontacts.

This deferral does not have an age or disability requirement. However, before you can qualify to defer your second half taxes you must pay your first half taxes. In addition, your income must be \$57,000 or less, and you must have owned your home for at least 5 years.

Part 1

A co-tenant is someone who lives with you and has an ownership interest in your home. Other occupants are people who live with you who don't have ownership interest in your home.

Part 2

Check the appropriate box. See the Documents to Include section in these instructions to determine what to send for proof of age or disability. If you are the surviving spouse/domestic partner, heir, or devisee of a person who previously received the deferral, provide a copy of their death certificate as well as a copy of their Last Will and Testament if they had one. If they died without a Last Will and Testament, provide a statement explaining why you as the surviving spouse/domestic partner, heir, devisee are entitled to receive the property after their death.

Part 3

Details regarding your specific residence and parcel data can be obtained from your county assessor's office.

If your parcel is more than one acre, but you are only allowed to defer the taxes on one acre, a lien will be placed on your entire property unless you provide a clear legal description for only the portion eligible for the deferral.

You can defer up to 40% of your equity value in the residence. If you have a homeowner's insurance policy that you have **Washington State Department of Revenue-Property Tax Division, PO Box 47471, Olympia WA 98504** as a loss payee, your equity value is the assessed value of the residence plus land minus the debts and encumbrances secured by the property.

If you do not have homeowners insurance or your policy does not list the department as a loss payee, your equity value is the assessed value of land only minus the debts and encumbrances secured by the property.

List the balance of all liens and obligations secured by your property as of January 1 of the application year.

Part 4

Complete and attach the [Combined Disposable Income Worksheet](#) and enter the total here.

How combined disposable income is calculated

Per RCW 84.36.383(1) "combined disposable income" is your disposable income plus the disposable income of your spouse/domestic partner and any co-tenants, minus deductible expenses.

How disposable income is calculated

"Disposable income" has a specific definition for the purpose of this program. Per RCW 84.36.383(6), "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, VA disability benefits, and DIC.
- Dividend receipts.
- Interest received on state and municipal bonds.

These incomes are included in "disposable income" even when it is not taxable for IRS purposes.

What are deductible expenses

Expenses paid by you or your spouse/domestic partner (not reimbursed or covered by insurance) for:

- Prescription drugs.
- Treatment or care of either person in the home or in a nursing home, boarding home, or adult family home.
- Health care insurance premiums for Medicare Parts A, B, C, and D and Medicare supplemental (Medigap) policies.
- Durable medical and mobility enhancing equipment and prosthetic devices.
- Medically prescribed oxygen.
- Long-term care insurance.
- Cost-sharing amounts (amounts applied towards your health plan's out of pocket maximum).
- Nebulizers.
- Medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, or used in the treatment of an individual by a Washington licensed naturopath.
- Ostomic items.
- Insulin for human use.
- Kidney dialysis devices.
- Disposable devices used to deliver drugs for human use.

For additional information, review the instructions for the [Combined Disposable Income Worksheet](#).

Income thresholds

The income threshold to qualify for this deferral is \$57,000.

Part 5

Sign and date the application. You are signing under oath acknowledging all information is true and accurate. You understand the deferred amount plus interest is due under the circumstances listed. If any other person, including your spouse/domestic partner has an ownership interest in the residence, they must also sign and date the application.

Documents to include

You must provide documentation to your county assessor's office to support the information reported on the application.

Proof of age or disability, ownership, and occupancy

Include copies of documentation showing you meet the age or disability, ownership, and occupancy requirements such as:

- A copy of your driver's license or state issued photo id.
- A copy of your voter registration.
- A copy of your birth certificate.
- If your eligibility is based on a disability: a copy of your disability award letter from SSA or VA, or a Proof of Disability statement completed and submitted by your physician.
- A complete copy of trust documents, if applicable.
- A copy of your deed.
- Any other documents your county assessor requests.

Proof of income

Attach a completed [Combined Disposable Income Worksheet](#) and supporting documents.

For additional detail on what to include, see the instructions for the [Combined Disposable Income Worksheet](#).

COMBINED DISPOSABLE INCOME WORKSHEET – RETURN WITH APPLICATION

Name

Income Year

If you plan on filing a tax return, submit the application after the tax return is completed.

___ (Initial) I DID NOT file a Federal Income Tax Return but have included all income and allowed expense documentation.
 ___ (Initial) I DID file a Federal Income Tax Return, a full copy is included with my application. Also, my supporting documentation for the return, together with allowed expense documentation is included.

Disposable Income:

Gross Social Security Benefits or Railroad Retirement Benefits	\$
Pension & Annuity Income, INCLUDE L&I Pensions	\$
Interest/ Exempt Interest, Dividends and/or taxable IRA withdrawals	\$
Wages (W2)	\$
Capital Gains – includes all gains from Sched D or 1099’s. Losses cannot offset gains.	\$
Business, Rental or Farming Income – No Losses Allowed	\$
Disability Income (i.e., SSI, 3 rd party sick pay.) (NOT VA disability Benefits, DIC or time loss payments)	\$
Any other income such as (gross unemployment, jury duty pay, gambling, etc.)	\$
Veterans Pay & Benefits	\$
Military Pay & Benefits	\$

Total Disposable Income: _____

Deductions (Instructions on Reverse):

1. Nursing home, assisted living or adult family home	\$
2. Home Health Care	\$
3. Prescription Drugs	\$
4. Medicare parts A, B, C, D insurance premiums	\$
5. Medicare supplemental/Medigap insurance premiums	\$
6. Durable medical and mobility enhancing equipment and prosthetic devices	\$
7. Medically prescribed Oxygen	\$
8. Long term care insurance	\$
9. Cost sharing amounts	\$
10. Nebulizers	\$
11. Medicines of mineral, animal and botanical origin prescribed, administered, dispensed by a naturopath licensed under Washington law	\$
12. Ostomic items	\$
13. Insulin for human use	\$
14. Kidney dialysis devices	\$
15. Disposable devices used to deliver drugs for human use	\$
16. Adjustments to income (Standard IRS deduction is NOT a deduction)	\$

Total Deductions - Add Lines 1 - 16 : \$ _____

Total Disposable Income: \$ _____

Subtract **Total Deductions** from **Total Disposable Income** : \$ _____
Total Disposable Income Cannot Exceed \$57,000

DEDUCTIONS

Line 1 – Enter nursing home, assisted living facility or adult family home expenses incurred. **Provide copies of invoices or equivalent documents for the amounts entered.**

Line 2 – Enter home health care expenses incurred. Home health care means the treatment or care received in the home that is similar to the type of care provided in the normal course of treatment or care in a nursing home. The providers of home health care do not have to be licensed for the cost to be deductible under this provision. Qualifying expenses may be: physical therapy received in the home, medical treatments or care received in the home, attendant care, light housekeeping tasks, meals-on-wheels or life alert. **Provide copies of invoices or equivalent documents for the amounts entered.**

Line 3 – Enter the amounts paid for prescription drugs. **Provide a summary from your pharmacies or equivalent documents for the amounts entered.**

Line 4 – Enter the amounts paid for Medicare Parts A, B, C, or D insurance premiums. **Provide copies of SSA-1099, invoice or equivalent documents for the amounts entered.**

Line 5 - Enter the amounts paid for approved Medicare supplemental insurance premiums. **Provide copies of statements identifying insurance company, plan number and premiums paid.**

Line 6 – Enter amounts paid for durable medical equipment, mobility enhancing equipment, and prosthetic devices. Deductible amounts include for purchase, rental, repair, cleaning, replacement parts, etc. **Review WAC 458-20-18801 tables 1, 3 and 5 for qualifying items. Provide receipts or invoices for amounts entered.**

Line 7 – Enter amounts paid for medically prescribed oxygen, including but not limited to, oxygen concentrator systems, oxygen enricher systems, liquid oxygen systems, and gaseous, bottled oxygen systems prescribed. **Provide receipts or invoices for amounts entered.**

Line 8 – Enter amounts paid for long term care insurance premiums. **Provide invoices or equivalent documents for amounts entered.**

Line 9 – Enter amounts paid for cost sharing. Cost sharing amounts included deductibles, co-insurance, co-payments for enrollees in health care plan; the amounts covered toward the plans out of pocket maximum. **Provide a coverage summary that identified the amount of out-of-pocket maximum incurred.**

Line 10 – Enter amounts paid for nebulizers; a device, not a building fixture, that converts a liquid medication into a mist so that it can be inhaled. **Provide receipts or invoices for amounts entered.**

Line 11 – Enter amounts paid for medicines of mineral, animal, and botanical origin prescribed, administered, dispensed by a naturopath licensed under Washington law. **Provide the receipts or invoices for amounts entered, a copy of the treatment plan, and the name of the naturopath and their Washington license number.**

Line 12 – Enter the amounts paid for ostomic items; disposable medical supplies used by colostomy, ileostomy and urostomy patients, and include bags, belts to hold up bags, tapes, tubes, adhesives, deodorants, soaps jellied, creams, germicides, and other like supplies. **Does not include undergarments, pads, and shields to protect undergarments, sponges, or rubber sheets. Provide receipts or invoices identifying items and amounts paid.**

Line 13 – Enter amounts paid for insulin for human use. **Provide receipts or invoices identifying items and amounts paid.**

Line 14 – Enter amounts paid for kidney dialysis devices. **Provide receipts or invoices identifying items and amounts paid.**

Line 15 – Enter amounts paid for disposal devices used to deliver drugs such as syringes, tubing, or catheters. **Does not include a stand or device that holds the tubing or catheter. Provide receipts or invoices identifying items and amounts paid.**

Line 16 – Review federal form Schedule 1 (Form 1040) and federal form Schedule 1 Instructions for valid adjustments to income. If any adjustments are applicable, enter the amounts. **Provide supporting documents for all amounts entered. The standard IRS deduction is NOT a deduction for the exemption/deferral program.**