

CHECKLIST

DEFERRAL FOR HOMEOWNERS WITH LIMITED INCOME

APPLICATION MUST BE SUBMITTED PRIOR TO SEPTEMBER 1, 2022

Attached is an application for the Deferral for Homeowners with Limited Income program for the second half of the **2022 property taxes using your 2021 income (may not exceed \$57,000)**. You must pay your first half 2022 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 2021 Federal tax return**
- **Mortgage or Lien (2021 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.

Renewal Application Deferral for Homeowners with Limited Income

Chapter 84.37 RCW

Use this application only if you have applied for a Deferral for Homeowners with Limited Income in a previous year. File this completed application along with all supporting documents at your county assessor's office no later than September 1 in the year the taxes are due. Contact your county assessor at dor.wa.gov/countycontacts for assistance.

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 Renewal verification

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.

Change in ownership: Yes No

This includes transfer to a trust or adding others to the deed. If yes, provide a copy of the transfer document and/or trust.

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

If less than 6 months: Were you in a hospital, nursing home, boarding home, adult family home, or home of a relative for the purpose of long-term care? Yes No

Liens and obligations (include balance as of January 1)

Reverse Mortgage	<input type="checkbox"/> Yes	<input type="checkbox"/> No \$	<input type="text"/>
1st Mortgage	<input type="checkbox"/> Yes	<input type="checkbox"/> No \$	<input type="text"/>
2nd Mortgage	<input type="checkbox"/> Yes	<input type="checkbox"/> No \$	<input type="text"/>
Special assessments	<input type="checkbox"/> Yes	<input type="checkbox"/> No \$	<input type="text"/>
Other liens, HELOC, etc.	<input type="checkbox"/> Yes	<input type="checkbox"/> No \$	<input type="text"/>

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.

3 Combined disposable income

Year:

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

4 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 my 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 4 in their entirety and include supporting documents to avoid delays in application processing. Contact your county assessor's office at dor.wa.gov/countycontacts if you have questions.

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 five 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

Complete Part 2 to verify and/or report any changes in homeowners insurance, ownership, occupancy, and liabilities since your last application or renewal. Provide supporting documents as indicated and/or requested.

Part 3

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.

Documents to include

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

Proof of ownership and occupancy

Include copies of documentation showing you meet the ownership and occupancy requirements such as copies of your:

- Driver's license.
- Voter registration.
- Trust documents, if applicable.
- 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

Income Year

Name

I DID NOT file a Federal Income Tax Return but have included all income and allowed expense documentation.

I DID file a Federal Income Tax Return and 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 1040/1040SR Schedule 1 Lines 11-17 and Lines 19-21	\$

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

Subtract Total Deductions from Total Disposable Income: \$ _____

Maximum Allowable Income \$55,743

Combined Disposable Income

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 copied 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.**