

## 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 primary 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.



Assessor's Department  
1 NE 7th Street,  
Ste 208  
PO Box 5000  
Coupeville, WA 98239  
360-678-7853



If you are considering changing the ownership of the property in the following manner:

- TRUST
- LIFE ESTATE
- TRANSFER OF OWNERSHIP (NOT SALE)

Please notify this office prior to the change, as this can modify your Deferral.

## **Island County Property Tax Deferral Program for Senior Adults and/or Disabled Persons**



## HOUSEHOLD INCOME

Your annual household disposable income may not exceed **\$35,000 in 2014 and \$40,000 in 2015.**

If your household income is \$35,000 (2014) or \$40,000 (2015) or less, you must apply for the Property Tax Exemption Program for Senior Citizens and Disabled Persons before you can apply for the Deferral program.

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.

## ALLOWABLE DEDUCTIONS

We may be able to deduct any non-reimbursed expenses paid by you, your spouse or domestic partner for things such as:

Nursing home (rehab for stroke or hip/shoulder replacement)

- Adult Family Home
- In-home care (nurse visits, lawn mowing, windows, house cleaning)
- Prescriptions (that you had to pay for out-of-pocket)
- Insurance premiums for Medicare (paid through Social Security)

## Eligibility Requirements

### Age or Disability

Your application must include proof of your age or disability.

- At least 60 years of age by December 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 of a person receiving a deferral at the time of his/her death

### 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.

### Residency

The property must be located in Washington State and be your principal home at the time you apply for the deferral. You must occupy the home for more than six months each year. Your residence may qualify even if you are temporarily in a hospital, nursing/boarding or adult family home. You may rent your residence to someone else during your stay in one of these facilities if the rent is used to pay the facility costs. A vacation home does not qualify.

## 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 the qualifications and maintain adequate fire and casualty insurance, you may defer taxes and special assessments in an amount up to 80 percent of your equity.

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.

## TO APPLY, PLEASE BRING YOUR:

- IRS Tax Return or an official IRS Transcript (bring all pages for years listed above) & Supporting Documents

## IF NO TAX RETURN WAS FILED THEN GATHER THE ITEMS FROM BELOW THAT PERTAIN TO YOU:

- Social Security end-of-year 1099 form
- Pension or Annuity end-of-year 1099 form
- Interest Income end-of-year 1099 form
- IRA Income
- Disability letter from Social Security or Doctor
- Unemployment Benefits
- VA Disability Letter
- Military Benefits
- Life Estate Documents
- Revocable, Irrevocable or Living Trust Documents
- Receipts of any other income you might be receiving within your household (this includes rentals)
- Prescription costs (that you had to pay for) for the year (s) listed at top of this sheet (call your pharmacy and ask for a print-out)
- Receipts for in-home care such as lawn care, house cleaning, window washing, Life Alert, and any daily/weekly/monthly in-home nurse visits
- Receipts for nursing home care or adult family home care
- Receipts for in home care equipment either rented or purchased
- Photo ID (example: ID Card, Driver's License or Passport)

Once you have all of the items checked above, please bring them to the Island County Assessor's Department and we will complete the application for you along with explaining the program in detail.

**For more information about the Senior Citizen/Disabled Persons property tax reduction program, contact our Program Exemption Administrator in the Assessor's Department at (360)678-7853 or online at**

**<http://www.islandcountyassessor.com/exemptions/seniordisabled-exemption/>**