TAXPAYER INFORMATION BULLETIN

Steven J. Drew, Assessor

PROPERTY TAX EXEMPTION
FOR SENIOR CITIZENS, DISABLED PERSONS & DISABLED VETERANS

Note: Changes in red apply to taxes levied for collection in 2024 and thereafter.

These exemption programs help eligible individuals on a limited income (**household income of ~~$48,566~~ $59,000 or less**) to pay property taxes. It freezes the application year's value of the primary residence and up to five acres, depending on the zoning of the land. It exempts all excess levies as well as the state school levy part 2, and may exempt a portion of regular levies. The Assessor will continue to establish the market value of the home as required by law.

Participation in this program:

1. Freezes the value of the residence as of January 1 of the qualifying year
2. Provides a reduction in property taxes with no lien placed against the property

ELIGIBILTY REQUIREMENTS

1. Age or Disability

Senior Citizens must be 61 years of age on December 31 of the qualifying year for relief of the next year's taxes.

Disabled persons have no age limit but must be unable to be gainfully employed because of the disability. A doctor's statement listing beginning date and duration of disability OR Social Security Disability income would be considered Proof of Disability. This documentation must be presented at time of application. A standard form is available from our office upon request.

Veterans with an 80% Service Connected Disability Rating or Receiving Total Disability Compensation have no age limit but must have documentation from Department of Veterans Affairs, i.e. VA Benefits Award Letter. This Proof of Disability must be presented at time of application.

2. Home Ownership & Residency

A home owned by a married couple, domestic partners, or co-tenants is considered owned by each person. Domestic partners must be registered with the Office of the Secretary of State. A co-tenant is a person who has an ownership interest in the residence and lives in the home. Only one person must meet the age or disability requirement. Property used as a vacation home is not eligible for the exemption program.

You must own or be purchasing the home for which the exemption is claimed by December 31st of the assessment year. The owner must retain full use of the property for revocable trust agreements and be able to revoke the trust and take back ownership at any time. Irrevocable trusts qualify if they can be deemed a life estate.

The property must be the primary home, a share ownership in a cooperative housing unit, or a mobile home, even if you do not own the land. You must occupy the home for more than six months in each assessment year preceding the year in which tax relief is received. *The home must be on the assessment rolls as a living unit.*

3. Income

Household income of ~~$48,566~~ $59,000 or less. This includes ALL your income, taxable and nontaxable, as well as that of your spouse, domestic partner, and any co-tenants.

Household income ***does not*** include:

- VA Disability payments
- The income of a person, other than a spouse or domestic partner, who does not have an ownership interest and lives in your home. **However, any income the person contributes to household expenses must be included as income on the application.**
- The income of a person, other than a spouse or domestic partner, who has ownership interest and lives someplace else. **The amount of the exemption will be based only on the percentage of your interest in the property.**

COMPUTING HOUSEHOLD INCOME

Income includes all sources, **WHETHER OR NOT THEY ARE TAXABLE** for federal income tax purposes.

Some of the most common sources of income include:

- Social Security benefits
- Retirement benefits
- Unemployment compensation
- Rental or Business income *Depreciation and losses may **not** be deducted.*
- Capital gains
- Interest and dividend receipts
- Wages, salaries and tips
- Pensions and annuities, including retirement bonds, IRAs
- L&I pensions & other Disability pensions
- VA income, other than disability, attendant care, medical aid, or dependency & indemnity compensation

ALLOWABLE DEDUCTIONS:

Your income may be reduced by the following out of pocket expenses:

- **Non-reimbursed** amounts paid for prescription drugs.
- **Premiums for Medicare Parts A, B, C & D.** - premiums for private insurance are not deductible
- **Non-reimbursed** amounts paid for care in a nursing home, assisted living facility, or adult family home.
- **Non-reimbursed** amounts paid for in-home care, including medical treatments, physical therapy, meal delivery service, personal care, and household care. Special furniture and equipment (such as wheelchairs, hospital beds, and oxygen) are also deductible.

Personal care includes assistance with preparing meals, house cleaning, getting dressed, eating, taking medications and personal hygiene.

Household care includes assistance with chores you used to perform but no longer can, such as mowing lawns, raking leaves, and cleaning gutters. Repairs or home improvements are not included.

Starting with the 2022 tax year, the following out of pocket expenses are also deductable:

- Medicare supplemental insurance premiums (Medigap)
- Long-term care insurance premiums
- Cost-sharing amounts (amounts applied toward your health plan's "out-of-pocket maximum")
- Durable medical and mobility enhancing equipment
- Prosthetic devices
- Medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, or used in the treatment of an individual by a naturopath licensed under Washington law
- Medically prescribed oxygen
- Insulin for human use
- Disposable devices used to deliver drugs for human use
- Ostomic items

THREE LEVELS OF EXEMPTION

When the annual household income for the application year is ~~$48,566~~ $59,000 or less, your home will be exempt from all excess levies and the state school levy part 2.

> *Excess levies are in addition to regular levies. They require voter approval and provide money for a specific purpose, such as school bonds and maintenance and operation levies.*

You are also exempt from all or part of the regular levies when you qualify for Category A or B as noted below.

Category A - ~~$33,623~~ $42,000 or less

When your household income is ~~$33,623~~ $42,000 or less, you are exempt from excess levies and the state school levy part 2 as well as regular levies on the first $60,000 or 60 percent, whichever is greater, of your home's assessed value.

Category B - ~~$33,624~~ $42,001 - ~~$41,095~~ $51,000

When your household income is between ~~$33,624~~ $42,001 and ~~$41,095~~ $51,000, you are exempt from excess levies and the state school levy part 2 as well as regular levies on the first $50,000 or 35 percent of the assessed value, whichever is greater, up to $70,000 of the home's assessed value.

Category C - ~~$41,096~~ $51,001- ~~$48,566~~ $59,000

When your household income is between ~~$41,096~~ $51,001 and ~~$48,566~~ $59,000, you are exempt from all excess levies and the state school levy part 2.

CHANGE IN STATUS

Notify us whenever there is a change in status:

- Change in level of income
- Change in living circumstances
- Death of spouse, domestic partner, or applicant

RETIREMENT: If you were retired for two or more months during the application year, your household income will be computed by multiplying the average monthly income received during the months you were retired by 12.

SALE OF RESIDENCE: If you sell your property and move to a new home in Washington State, your exemption can be transferred to your new residence; but may require that you reapply.

DEATH OF SPOUSE OR DOMESTIC PARTNER: If your spouse or domestic partner died before November 1st of the application year, or if you have a significant change in income that is expected to last indefinitely, your household income is computed by multiplying the average monthly income, after the change occurred, by 12.

DEATH OF THE APPLICANT: Property taxes will be recalculated without the exemption from the date of death. The surviving spouse or domestic partner may continue to receive the exemption if he or she is at least 57 years old and meets all the other eligibility requirements.

RENEWAL: You will be notified by the Assessor when it is time to renew your exemption.

APPLICATION PROCESS

WHEN TO APPLY: Please apply once you have assembled the required documentation for the year you are applying for. Applications are based on income through December 31st of the application year for the following year's taxes.

For example, if you want an exemption for taxes due in 2024, you must use your 2023 household income.

WHAT TO BRING: We need to verify household income but we do not keep copies of your documents. Please bring all income & expense records for each year you may qualify:

- IRS Tax Return (1040) with all schedules and attachments.
- Social Security Statement (SSA 1099)
- All supporting income documents which may include any and all 1099s, K-1s, W-2s, L&I statements, etc.
- Proof of Disability with starting date (see page 1)
- Proof of allowable deductions such as receipts, invoices, statements, etc. (see page 2)

WHERE TO APPLY: The Thurston County Assessor's Office administers this program and will fill the application out for you. Please call us at (360) 867-2200 for additional information about what you may need to bring or other questions you have. We are open Monday – Friday, 8 AM to 5 PM, except for holidays. Applications are also available on request and on our website.

APPROVAL: Once approved, the exemption applies until a renewal application is required, there is a change in status, or the home sells.

DEFERRALS

If your household income is ~~$56,038~~ $62,519 or under, you may qualify for the Deferral Program. Please call the Thurston County Assessor's Office at (360) 867-2200 for information.

LAWS AND RULES

This program operates under the laws and rules of Washington State:

- **Revised Code of Washington (RCW)** Chapter 84.36 – Exemptions (Property Tax)
- **Washington Administrative Code (WAC)** Chapter 458-16A Senior Citizen/Disabled Persons/Disabled Veterans Property Tax Exemptions

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☎ **Customer Service (360) 867-2200**

☎ FAX (360) 867-2201

☎ TTY: 7-1-1 or 1-800-833-6388

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