

Deferral for Homeowners with Limited Income Renewal Form

In the past, you deferred property taxes and/or special assessments under the provisions of Chapter 84.37 RCW and you have an active deferral account with the State of Washington. If you want to defer again this year, you must complete a Renewal Application.

Complete this form and file your renewal application packet with your County Assessor no later than September 1.
For assistance in completing this form, contact your County Assessor's office.

This deferral renewal is for real property taxes and/or special assessments due in the **year:** _____

Applicant: _____ Spouse/Domestic Partner: _____
 Mailing address: _____
 City: _____ Zip Code: _____
 Home Ph: _____ Cell Ph: _____ Email Address: _____
 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 Code: _____
 County Parcel No: _____

<u>Yes</u>	<u>No</u>	<u>Answer the following questions.</u>	
<input type="checkbox"/>	<input type="checkbox"/>	Is your home insured? If yes, include a copy of the policy with your renewal packet.	
<input type="checkbox"/>	<input type="checkbox"/>	Other than your deferral account balance, do you have mortgages, liens, special assessments, or obligations against the property? If yes, report the current balances below. Do not include your deferral account balance.	
	<u>Yes</u>	<u>No</u>	<u>Type of Lien or Obligation</u>
	<input type="checkbox"/>	<input type="checkbox"/>	Reverse Mortgage (<i>lien balance</i>)
	<input type="checkbox"/>	<input type="checkbox"/>	1 st Mortgage (<i>lien balance</i>)
	<input type="checkbox"/>	<input type="checkbox"/>	2 nd Mortgage (<i>lien balance</i>)
	<input type="checkbox"/>	<input type="checkbox"/>	Special assessment balance(s)
	<input type="checkbox"/>	<input type="checkbox"/>	Balance on other liens, lines of credit, etc.
			TOTAL Mortgages, Liens, and Obligations:
			\$ _____

This box to be completed by the Assessor's office	
	True and Fair (Market) Value as of January 1 of the Renewal Year
Date approved or denied by Assessor: _____	Land: \$ _____
Reason if denied: _____	Building: \$ _____
Application number: _____	Total Value**: \$ _____
	Equity Calculation
Total Eligible Value**	\$ _____
Total Mortgages, Liens, and Obligations from previous section:	\$ _____
Equity Value** = Total Eligible Value minus Total Mortgages:	\$ _____
Deferral Limit = 40% of Equity Value:	\$ _____

****Note:** If no insurance OR if state is not listed as "loss payee" on the insurance policy, use only the land value for the Total Eligible Value and then stop at "Equity Value". Without insurance OR when the state is not the "loss payee", the deferral limit is the equity value in the land only.

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 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 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, 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:

20__ Income Year	County Use Checklist
\$\$ Amount	<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"/>
\$	
\$	

County Use Only: _____

<u>Yes</u>	<u>No</u>	<u>Answer the following questions.</u>
<input type="checkbox"/>	<input type="checkbox"/>	Have there been any changes in your ownership share or your ownership type since your last application or renewal? (For example, have you added anyone else to the property deed or transferred the property to a trust?) If yes, include copies of the transfer documents and/or trust.
<input type="checkbox"/>	<input type="checkbox"/>	Did you live somewhere else for six months or more in any year since your last application or renewal? If yes, please answer the following: <u>Yes</u> <input type="checkbox"/> <u>No</u> <input type="checkbox"/> Were you in a hospital, nursing home, boarding home, or adult family home? If yes, was your home: <input type="checkbox"/> temporarily unoccupied; <input type="checkbox"/> occupied by your spouse or domestic partner or by someone else who is financially dependent on you; <input type="checkbox"/> rented to help offset the cost of your stay in the hospital, nursing home, boarding home, or adult family home; OR <input type="checkbox"/> occupied by a caretaker who is not paid for watching the house? (Check all that apply.)
<input type="checkbox"/>	<input type="checkbox"/>	Is your parcel size larger than one acre? If yes , please answer the following. Have you received notice of a zoning change since your last application or renewal? <input type="checkbox"/> Yes <input type="checkbox"/> No

DECLARATION

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 or domestic partner, if qualified, elects to continue the deferral. (Your spouse or domestic partner 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 this residence is no longer my primary 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 in 2018 is 3%.
- I have attached copies of documents supporting my income information, current mortgage and lien balances, and fire and casualty insurance.

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

For assistance in completing this form, contact your County Assessor's office.

To ask about the availability of this publication in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

General Instructions

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 renewal form.

Leave the "County Use Only" areas blank.

You must 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" (otherwise we cannot include the value of your dwelling 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, you may be able to 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
- ◆

RETURN COMPLETED FORM AND SUPPORTING DOCUMENTS TO:

King County Assessments – Deferrals
500 4th Ave Rm 730
Seattle, WA 98104