

# Deferral Application for Homeowners with Limited Incomes

**Complete this application and file it with your local County Assessor by September 1 in the year the taxes are due. For assistance in completing this form contact your County Assessor's Office by calling the number listed in the local government section of your telephone directory.**

**Part I. This deferral application is for Second Installment Taxes due in the year:** \_\_\_\_\_

Applicant: \_\_\_\_\_ Telephone: \_\_\_\_\_

Spouse or Domestic Partner: \_\_\_\_\_

Mailing address: \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Property address: \_\_\_\_\_

Co-tenants (someone who lives with you **AND** has an ownership interest in your home): \_\_\_\_\_

Other occupants: \_\_\_\_\_

County Parcel No: \_\_\_\_\_

**Part II. I do attest and affirm that:** (Check the boxes that apply.)

I own or am purchasing this residence. \_\_\_\_\_ Purchase date

This has been my principal residence since: \_\_\_\_\_ Date of Occupancy

**NOTE:** Share ownership in cooperative housing, life estates, leases for life, and revocable trusts do not satisfy the ownership requirement for this program.

If you and/or your spouse or domestic partner are temporarily confined to a hospital or nursing home, your home is still considered to be your principal residence.

**I have a mortgage, purchase contract, or deed of trust.**

Yes     No    If yes, you must report your mortgage balance in Part VII on page 4.

Yes     No    My monthly mortgage payment includes an amount to pay my real property taxes. If yes, your mortgage holder must complete Part IV on page 2.

This box to be completed by the Assessor's office	True and Fair Assessed (Market) Value
Date approved by Assessor: _____	Land: \$ _____
Application number: _____	Building: \$ _____
	<b>Total:</b> \$ _____
	<b>Equity Calculation</b>
Total Mortgages, Liens, Special Assessments and Other Obligations: _____	\$ _____
<b>Equity Value = Total Value minus Total Mortgages, etc.:</b>	<b>\$ _____</b>
<b>Deferral Limit = 40% of Equity Value:</b>	<b>\$ _____</b>
<b>Note:</b> If no insurance <u>OR</u> if state is not listed as "loss payee" on insurance policy, use land value only for the total 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.	

**This box to be completed by the Department of Revenue**

Insurance:     Attached     On file     Not on file     State not listed as Loss Payee     None

Equity Balance: \$ \_\_\_\_\_     Equity OK     Lien Filed    Processed by: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

**Part III. My residence is a (check one):**

- Single family dwelling       Multi-unit dwelling/condominium       Mobile home

**Mobile Homes:** Do you own the land where the mobile home is located?:  Yes     No

Name of mobile home park if applicable: \_\_\_\_\_ Space No: \_\_\_\_\_

**This property includes:** (Check all that apply)

- My principal residence and no more than one acre of land  
 More than one acre of land  
 More than one residence and/or additional improvements that are not normally part of a residence (i.e. commercial buildings or improvements)

**Acres or Sq Ft**

**My total parcel or lot size:** \_\_\_\_\_

**If larger than one acre, what is the minimum parcel size required by local zoning or land use regulations for each residence or lot split?** \_\_\_\_\_

If local zoning and land use regulations require more than 1 (one) acre of land per residence in the area where you live, or if you are unable to subdivide into lots smaller than one acre, you may be able to defer the property taxes for your entire parcel, up to 5 (five) acres.

- Check one box:**  I have attached the legal description for my residence and one (1) acre encompassing the residence. I understand that the value included in my equity calculation will only include the value for this portion of my property.  
 I have elected to allow you to file your lien on my entire parcel, even though the deferral of taxes or assessment may not cover the entire parcel.

**Part IV. To be completed by lender if the monthly mortgage payment includes an amount to pay real property taxes. (See Part II on page 1)**

**Lien Type:**     Mortgage       Purchase Contract       Deed of Trust

**The terms of the mortgage, purchase contract, or deed of trust require the accumulation of reserves to pay real property taxes.**

Name of mortgage company or holder of contract or deed: \_\_\_\_\_

Auditor's Recording No: \_\_\_\_\_

**The holder of the agreement must sign this application either before a Notary Public or before the assessor or his/her deputy.**

\_\_\_\_\_  
Signature of Mortgagee, Contract Purchase Holder or Beneficiary

\_\_\_\_\_  
Title

Subscribed and sworn to before me this \_\_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_  
(year)

Notary Public or Assessor or Deputy in and  
for the State of \_\_\_\_\_  
residing at \_\_\_\_\_

**How is Combined Disposable Income calculated?**

The income year is the calendar year before the tax is actually due. To participate in this program, your combined disposable income for that year must be \$57,000 or less. Include all income sources and amounts received for you, your spouse or domestic partner, and any co-tenants.

If a change in your situation caused a substantial reduction in your income for at least two months before the end of the income year and the change in income is expected to continue indefinitely, you can 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.

“Disposable income” was given a specific definition by the Legislature in RCW 84.36.383(5). It is defined as 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:

- υ Capital gains, other than a gain on the sale of a principal residence that is reinvested in a new principal residence;
- υ Amounts deducted for losses or depreciation;
- υ Pensions and annuities, including Federal social security act and railroad retirement benefits;
- υ Military and veterans pay and benefits other than attendant-care and medical-aid payments;
- υ Dividend receipts and interest received on state and municipal bonds.

**These income sources are included in disposable income whether or not they are taxable for IRS purposes.**

Allowable deductions include out of pocket costs paid by you or your spouse or domestic partner for nursing home, boarding home, or adult family home expenses, care or treatment in your home, prescription drugs, and insurance premiums paid for Medicare under Title XVIII of the Social Security Act. 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. You can deduct costs for items such as oxygen, special needs furniture, attendant care, light housekeeping tasks, meals-on-wheels, and other services that are part of a necessary or appropriate in-home service.

**Instructions for Part 3, Line N: If you entered an amount on Line A, enter -0- on Line N.** If you did not file an IRS return and you have adjustments for alimony or for any of the expense items shown on the lower portion of IRS Form 1040, you may deduct those costs here.

**Part V. Combined Disposable Income for the year ending December 31: \_\_\_\_\_**

A. Adjusted Gross Income from Federal Tax Return. <u>(If you did not file with IRS enter -0-)</u>	_____
B. Capital gains not included in Line A. Losses cannot be used to offset gains. Include gains from 1099's and Sch D.	_____
C. Deductions for losses and depreciation included in Line A.	_____
D. Pensions and annuities not included in Line A. <b>Do not include</b> the non-taxable portion of IRA distributions.	_____
E. Military and veterans pay and benefits not included in Line A.	_____
F. Dividends and interest not already included in Line A.	_____
G. <b>Taxable</b> IRA distributions <b>not</b> already included in Line A.	_____

H. Social Security and Disability not included in Line A.	_____
I. List other income not included in Line A.	_____
<b>Subtotal Income</b>	<b>\$</b> _____
<b>Less Non-reimbursed costs for:</b>	
J. Nursing Home, Boarding Home, or Adult Family Home Expenses.	_____
K. In-Home Care Expenses.	_____
L. Prescription Drugs.	_____
M. Insurance Premiums for Medicare under Title XVIII of the Social Security Act.	_____
N. See instructions.	_____
<b>Subtotal Deductions</b>	<b>\$</b> _____
<b>Combined Disposable Income</b>	<b>\$</b> _____

**VI. My home is insured:**  No  Yes **If yes, my Fire and Casualty Insurance is provided by:**

Company Name: \_\_\_\_\_ Policy No.: \_\_\_\_\_

Amount of dwelling coverage: \$ \_\_\_\_\_ Policy Expiration Date: \_\_\_\_\_

Local agent: \_\_\_\_\_ Agent's Phone No.: \_\_\_\_\_

**Washington State Department of Revenue is listed as a "Loss Payee" on my policy.**  Yes  No

If Washington State Department of Revenue is not listed as a loss payee on your insurance policy, the value of your dwelling cannot be included in the equity calculation and your equity will be based on the value of the land only. For documentation, you must provide a copy of your policy. Mail it to Washington State Department of Revenue, Property Tax Division, PO Box 47471, Olympia WA 98504-7471 or fax it to Deferrals at (360) 586-7602.

**VII. Liens and obligations**

You must report the current balances of all mortgages and liens against the property. Do not report your deferral account balance.

- Yes  No Reverse Mortgage (*lien balance*) \$ \_\_\_\_\_
- Yes  No 1<sup>st</sup> Mortgage (*lien balance*) \$ \_\_\_\_\_
- Yes  No 2<sup>nd</sup> Mortgage(s) (*lien balance*) \$ \_\_\_\_\_
- Yes  No Special assessment balance(s) \$ \_\_\_\_\_
- Yes  No Balance on other liens, lines of credit, etc. \$ \_\_\_\_\_

**TOTAL Liens and Obligations** \$ \_\_\_\_\_

**VIII.**  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:

1. The sale or transfer of the property.
2. 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.)
3. Such time as the residence is no longer my primary residence.
4. 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.

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 next year.

I understand that the annual interest rate on deferrals made in 2008 is 7%.

**I have attached copies of documents supporting my income information, current mortgage and lien balances, and fire and casualty insurance.**

<b>Your Signature (or the signature of your authorized agent)</b>	<b>Date</b>	<b>Percentage of Interest</b>
_____	_____	%

<b>Signatures of all other owners of interest on the deed</b>	<b>Date</b>	<b>Percentage of Interest</b>
_____	_____	%
_____	_____	%

For information on the laws and rules governing this program, visit <http://dor.wa.gov>.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.