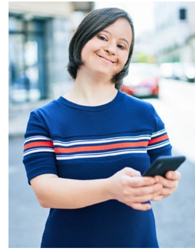
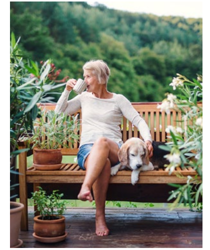
Department of Revenue
Washington State





Property Tax Exemption for Senior Citizens and People with Disabilities

Washington state has two property tax relief programs for senior citizens and people with disabilities. This brochure provides information for the property tax exemption program. For information about the property tax deferral program, see the Property Tax Deferral for Senior Citizens and People with Disabilities brochure.

Overview

The property tax exemption program benefits you in two ways. First, it reduces the amount of property taxes you are responsible for paying. You will not pay excess levies or Part 2 of the state school levy. In addition, depending on your income, you may not need to pay a portion of the regular levies. Second, it freezes the taxable value of the residence the first year you qualify. This means that the levies you pay will be based on the frozen value not the market value.

The property tax exemption program is based on a rolling two-year cycle. Year one is the assessment year. Year two is the following year and is called the tax year. As examples, 2019 is the assessment year and 2020 is the tax year. 2020 is the assessment year and 2021 is the tax year. An applicant must meet all qualifications in the assessment year to receive property tax relief in the tax year.

Qualifications

The exemption program qualifications are based off of age or disability, ownership, occupancy, and income. Details of each qualification follows.

Age or disability

By December 31 of the assessment year, you must be any of the following:

- At least 61 years of age.
- At least 57 years of age and the surviving spouse or domestic partner of a person who was an exemption participant at the time of their death.
- Unable to work because of a disability.
- A disabled veteran with a service-connected evaluation of at least 80% or receiving compensation from the United States Department of Veterans Affairs at the 100% rate for a service-connected disability.

Ownership

You must own your home by December 31 of the assessment year. Qualifying types of ownership are in fee, as a life estate (including a lease for life), or by contract purchase. If you own a share in a cooperative housing association or if a government entity owns your residence and/or land, it may also qualify. The exemption is limited to the residence and one acre of land. Certain zoning or land-use regulations may allow additional acreage.

A home jointly owned by a married couple, registered domestic partners, or co-tenants is considered wholly owned by each joint owner. A co-tenant is a person who has an ownership interest in your home and lives in the home. Only one joint owner needs to meet the age or disability qualification.

Occupancy

You must occupy your home for more than six months in the assessment year. You may continue to qualify even if you spend time in a hospital, nursing home, boarding home, adult family home, or home of a relative. However, a residence used as a vacation home is not eligible.

Income

Your combined disposable income cannot exceed your county's income threshold which is the greater of $40,000 or 65% of the county median household income. Find your county's income threshold at dor.wa.gov/incomethresholds.

Combined disposable income includes your disposable income plus the disposable income of your spouse or domestic partner and any co-tenants.

Combined disposable income does not include income of a person who:

- Lives in your home but does not have ownership interest (except for a spouse or domestic partner). However, you must include any money that person contributes to the household expenses.
- Does not live in the home but has ownership interest. If another person(s) has ownership interest, but does not live in the home, only your percentage of interest will qualify for the exemption.

Calculating disposable income

Disposable income includes income from all sources, even if the income is not taxable for federal income tax purposes. Some of the most common sources of income include:

- Social Security and Railroad Retirement benefits.
- Military pay and benefits.
- Veterans benefits except attendant-care payments, medical-aid payments, veteran's disability compensation, and dependency and indemnity compensation.
- Pension receipts. Include distributions from retirement bonds and Keogh plans. Include only the taxable portion of Individual Retirement Accounts (IRA's).
- Business or rental income. You cannot deduct depreciation.
- Capital gains other than the gain from the sale of your residence that was reinvested in another residence within one year.
- Capital, business, or rental losses cannot be deducted or used to offset gains or other income.
- Annuity receipts.
- Interest and dividend receipts.

If you have questions about your sources of income, contact your county assessor.

Deductions from disposable income

After calculating disposable income, deduct insurance premiums you paid for Medicare Parts A, B, C, and D and non-reimbursed amounts paid for:

- Living in a nursing home, boarding home, or adult family home.
- Prescription drugs.
- In-home care that is similar to the care you would receive in a nursing home.
  - ◊ In-home care includes:
    - Medical treatment.
    - Physical therapy.
    - Special needs furniture and equipment.
    - Meals on Wheels (or similar services).
    - Household care.
    - Personal care.
      - ◊ Personal care includes assistance with:
        - Preparing meals.
        - Getting dressed.
        - Eating.
        - Taking medications.
        - Personal hygiene.

Property tax levies eligible for exemption

There are three levels of exemption depending on your final calculated combined disposable income.

Level 3- You are exempt from paying excess levies and Part 2 of the state school levy. Generally speaking, excess levies are the voter-approved levies.

Level 2- You are exempt from paying excess levies, Part 2 of the state school levy, and regular levies on $50,000 or 35% of the assessed taxable value, whichever is greater (but not more than $70,000 of the taxable value).

Level 1- You are exempt from paying excess levies, Part 2 of the state school levy, and regular levies on $60,000 or 60% of the assessed taxable value, whichever is greater.

Applying for the exemption

Your county assessor administers the exemption program and is responsible for determining if you meet the qualifications. Applications and supporting documents for each qualification are due by December 31 of the assessment year. The county assessor may accept late applications.

If your county assessor approves your application, they will notify you when it is time to submit a renewal application. However, if you have a change in your qualifications before a renewal application, you need to notify your county assessor.

If your county assessor denies your application, they will notify you in writing. You may appeal the assessor's decision to the county Board of Equalization. The county Board of Equalization must receive your appeal by July 1, or within 30 days of when the denial was mailed, whichever date is later.

Refunds for prior years

If you paid prior years' taxes because of a mistake, oversight, or a lack of knowledge about this program, you may be eligible for a refund. You must meet all of the qualifications for the exemption as if you had applied at the time the application was due. You must submit separate applications for each of the tax years. In order to receive a refund, you must file the applications within three years of the date the taxes were due. Refunds will not be made beyond the three year period.

Laws and rules

Revised Code of Washington (RCW Chapter 84.36.379-389—Exemptions (Property Tax).

Washington Administrative Code (WAC) Chapter 458-16A-100 through 150—Senior Citizen/Disabled Persons Property, Tax Exemptions.

Questions, more information, request an application

If you have questions regarding the property tax exemption program, application form, or the application process, contact your local county assessor's office.

This material is intended for general information purposes and does not alter or supersede any administrative regulations or rulings issued by the Department of Revenue.

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