

SENIORS AND DISABLED PERSONS

Frequently Asked Questions

CHELAN COUNTY ASSESSOR

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Q: What is the property tax exemption program for seniors and disabled persons?

A: If you are a senior citizen or a disabled person and own your primary residence in Washington State you may qualify for an exemption program that helps you to reduce your payment of property taxes. Under the exemption program, the value of your property is frozen, or capped, at the year you qualify and you become exempt from all excess and special levies including possibly regular levies. That means if your assessed value increases you will only pay taxes on the frozen value. Should your assessed value decrease you pay taxes on the new assessed value. However, if you have new construction on your property it will be added to your frozen values in the year it was added.

Q: How do I qualify for property tax exemptions or deferral?

A: If you are a senior citizen or disabled person you may qualify for an **exemption** if you:

- have a total household income of \$40,000/year or less (starting in the 2016 assessment year for 2017 taxes), AND
- are 61 years of age (turning 62 by December 31st) or older, or are unable to work because of disability, or are a veteran with a 100% service-related disability, AND
- own your home and it is your principle residence at least six months per year.

If you are a senior citizen or disabled person you may qualify for a **deferral** if you:

- have a total household disposable income of \$45,000/year or less, AND
- are 60 years of age or older, or are unable to work because of a disability, or are a veteran with a 100% service-related disability, AND
- You own your home either in total or by contract purchase.

Q: How does the property tax exemption work?

A: If you qualify, the program has three different levels that reduce your property taxes:

- **LEVEL 1:** If your annual income for the application year is under \$30,000 your home will be exempt from regular levies on \$70,000 or 60 percent of your home’s assessed value, whichever is greater.
For Example:
 Annual Income= \$28,000
 Assessed Home Frozen Value= \$150,000
Taxable Property Value= \$60,000
- **LEVEL 2:** If your annual income for the application year is between \$30,001 and \$35,000, your home will be exempt from regular levies on \$50,000 or 35 percent (not to exceed \$70,000) of your home’s assessed value, whichever is greater.
For Example:
 Annual Income= \$32,000
 Assessed Home Frozen Value= \$150,000
Taxable Property Value= \$97,500
- **LEVEL 3:** If you’re annual income for the application year is between \$35,001 and \$40,000, your home will be exempt from all excess and special levies.
For Example:
 Annual Income= \$38,000
 Assessed Home Frozen Value= \$150,000
Taxable Property Value= \$150,000

Q: What things are included in my income calculations by the Assessor?

A: The following income is included in the gross household income:

- Wages, Salaries, Tips
- Social Security Benefits
- Retirement Benefits (including Railroad)
- Income from Pensions, Annuities, IRAs
- Interest and Dividends
- Business Income **note* Depreciation and business losses are not deducted*
- Rental Income **note* Depreciation and rental losses are not deducted*
- Capital Gains other than the gain from the sale of your primary residence if it was invested in a new primary residence.

Q: What items are deducted from my income by the Assessor?

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A: The following non-reimbursed amounts can be deducted from your gross household income:

- Amounts paid for you or a spouse to live in a nursing home or adult family home

- Amounts paid for prescription drugs
- Amounts paid for goods and services that allow you or a spouse to receive in home care
- Insurance premiums for Medicare Parts B & D as well as Medicare Advantage Plans Part C.
- Disability Benefits paid by the military for a service connected disability

Q: How do I apply for the exemption?

A: You can contact our Senior Exemption Program Administrator at (509) 667-6364 or stop by our office at 350 Orondo Avenue, Wenatchee (8 am to Noon and 1pm to 5 pm, Monday thru Friday) to get more information on the application process and the application form. There is no application fee for the exemption.

Q: What if I am 62 but my spouse is only 59, do we still qualify?

A: Yes. If married or in a registered domestic partnership, only 1 spouse has to be of age or deemed disabled.

Q: What if only one of our names is on the deed to the property but the other person (not on the deed) is eligible for the exemption?

A: If only one person has ownership interest, that person must be the qualifying applicant and must meet all other program criteria

Q: I live in a mobile home park and pay rent for my space but own my mobile home. Do I still qualify for the exemption?

A: As long as you meet the eligibility requirements, then you, as the owner of the mobile home, still qualify. The exemption is given on the home only and not the land.

Q: What happens if I sold my home to my son or daughter? Do I still qualify?

A: The seller (you) must retain a life estate and continue to reside in the home to keep the exemption. If all ownership is given up, the effective date will be prorated to reflect the deed date and the exemption will be removed.

Q: I own 6 acres, how much of my parcel can I get exempted?

A: The exemption is available for a primary residence and up to one acre of land. If zoning and land use regulations require more than one acre of land per residence in the area where you live, you may be eligible for a property tax exemption on up to five acres of land. A mobile home may qualify, even if the land where the mobile home is located is leased or rented.

Q: If I sell my home, will the new owner get my exemption?

A: No. If you sell your home, the exemption will continue up to the date of sale. Taxes will be recalculated for the remainder of the year and the new owner will be billed for the portion of taxes for that period of time. If the new owner would qualify for the program they can submit a new application to our office for approval.

Q: In the event that I die, does my spouse qualify for the exemption?

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A: Your surviving spouse is allowed to retain the exemption as long as they are 57 years of age or older and meet all other exemption requirements.

Q: How often do I have to renew my exemption?

A: Every six years unless there is a change in status such as an ownership change or a change in income. It is the responsibility of the person on the program to notify the Assessor's office in that case. If the person chooses to NOT notify the Assessor's office, they can be charged for all back taxes as well as all penalties and interest.

Q: If I don't qualify this year and do next year, what happens?

A: People often fall out of the program periodically due to an increase in income. If you are only out for one year and then qualify for the following year, the previous frozen value can be recaptured. If you fall out for more than one year, the program starts over on the new year of qualification and a new frozen value is established.

Q: What if we are married, but file our taxes separately? Do we still have to use both incomes?

A: Yes, the program is based off of the combined total household income.

Q: What if I just learned about the senior exemption program and think that I probably qualified years ago?

A: If you have paid prior years' taxes because of a mistake, oversight, or a lack of knowledge of the exemption program, you may apply for a refund by filing a separate application for each year you would have qualified. Applications can be obtained from the county assessor's office. You must file the application within three years of the date the taxes were due (Statutory date is April 30). Refunds will not be made beyond the three-year period – but qualified years prior to that could establish your frozen value base.

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