



Office of the
KITSAP COUNTY ASSESSOR

Phil Cook, *Assessor*

614 Division Street, MS-22 • Port Orchard, WA 98366-4687 • www.kitsapgov.com/assessor • 360-337-7160

Enclosed is the **2019 property tax** exemption application packet you requested.

Eligibility is based on your qualifying information during the assessment year – **the year prior to the tax year.**

You must meet the following criteria:

1. **2018 Disposable Income** – Gross annual income less than \$40,000; and
2. **Age or Disability** –
Age 61 or better – Born in the year 1957 or before; or
Disabled from substantial gainful activity prior to December 31, 2018; or
Veteran with 100% service-connected disability prior to December 31, 2018.
3. **Ownership and Residency** – Own and physically occupy the residence on or before December 31, 2018.

The application and all supporting documents **can be submitted at any time during the year.**

All applications are processed in the order received in the office, and you will be notified by mail once the process is completed.

You can choose to return the completed Application Packet by mail, fax, email, or you can bring it to our office in person. No appointment is necessary.

The office hours are Monday – Thursday 8:00-4:30, Fridays 9:00-1:00.

The mailing address is: **KITSAP COUNTY ASSESSOR
614 DIVISION ST MS-22
PORT ORCHARD WA 98366**

Phone: 360-337-7160

Fax: 360-337-4874

Email: assessor@co.kitsap.wa.us

If you have any questions, or need assistance, please contact our office at 360-337-7160 or you may send an email to Losborne@co.kitsap.wa.us.

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Exemption Program Eligibility and Relief

ELIGIBILITY REQUIREMENTS

To be eligible for this program, the claimant must meet the age **or** disability, **and** ownership, **and** residency, **and** income requirements during the assessment year – the year before the property tax is due (tax year).

Age and Disability

You must be at least 61 years old on or before December 31 of the assessment year **or** unable to work because of a disability, **or** a veteran entitled to and receiving compensation from the Department of Veterans Affairs at a 100% disability rating for a service-connected disability. Your application must include proof of your age or disability.

Ownership and Residency

You must own and occupy the qualifying primary residence during the assessment year. You must physically occupy the home for more than 6 months a year to continue eligibility status. However, if you are confined to a hospital, nursing home, assisted living or adult care facility, your home may still be considered your primary residence.

If you transferred your home under a revocable trust, you must retain full use of the property and be able to revoke the trust and take ownership at any time. A Declaration of Trust **and** a copy of your Trust Agreement are required to be filed with your application. If you are living in your home under the terms of an irrevocable trust or life estate, you may still qualify for the exemption. A recorded document outlining terms of the agreement is required.

Income

You must have an annual gross income of \$40,000 (As of 2015) \$35,000 (2014 and prior) or less to qualify. This includes the combined disposable income of the claimant, spouse/domestic partner and any co-tenants. A co-tenant is a person who has ownership interest and resides in the primary residence. Partial exemption may be granted on your percent ownership interest if the co-tenants do not occupy the residence.

Disposable income means all gross taxable and non-taxable income, including (but not limited to) Social Security, retirement, disability pension, veterans/military benefits (except service-connected disability), interest, dividends, wages, capital gains, rental income, State cash and food assistance, etc. You cannot deduct depreciation or losses. Non-reimbursed costs for prescription drugs, Medicare premiums (other health insurance, Medicare supplemental, or Medigap are not eligible), in-home care, or nursing home expenses for the claimant or spouse/domestic partner can be deducted from income.

The exemption is available for your primary residence and 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.

* The exemption is available for a primary residence and 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.

Application Procedure

1. Obtain an application packet from the Assessor's Office any time during the tax year.
2. Complete the application and any other necessary forms. Copies of income documents and proof of age or disability and residency are required with your application.
3. Submit your application in person, by mail, email or fax.
4. We will process the application and notify you by letter of your qualification status.

Tax Relief

Qualifying information for age or disability and income and ownership and residency is based on the assessment year – the year before the property tax is due (tax year).

There are three levels of tax reduction, based on income:

Income up to \$30,000

Exempt from voted levies and a \$60,000 or 60% reduction in assessed value, whichever is greater. This means that if your property were valued at \$90,000, the value upon which your taxes are based would be \$30,000.

Income of \$30,001 - \$35,000

Exempt from voted levies and a \$50,000 or 35% reduction in assessed value (not to exceed \$70,000), whichever is greater. This means that if your property were valued at \$90,000, your taxes would be based on a value of \$40,000.

Income of \$35,001 - \$40,000

Exempt from voted levies only, such as local school maintenance and operation levies.

Additionally, the value of your residence is “frozen” as of January 1, 1995, or January 1 of the initial application year, whichever is later.

Refunds

If you have paid prior years' taxes because of a mistake, oversight, or a lack of knowledge, you may apply for a refund by filing an application for refund with the county assessor. You must file the application within three years of the date the taxes were owed. Refunds will **not** be made beyond the three-year period – but could establish your frozen value base and reduce delinquent taxes.

Tax Deferral Program

This deferral program postpones payment of your property taxes and any special assessments. On your behalf, the Department of Revenue pays the deferred amount to the county where you live. The amount of the postponed tax and/or special assessment, plus five-percent interest, becomes a lien in favor of the state until the total amount is repaid. To qualify, you must be at least 60 years of age, or disabled from employment, or a veteran with 100% service connected disability and have an annual income of \$45,000 or less.

Limited Income Deferral Program

Under this deferral program, you can postpone payment of taxes having the Dept. of Revenue pays your second half taxes and/or special assessments (due October 31) on your behalf. To qualify, you must meet the ownership (more than 5 years), residency (occupying the home January 1 of application year), income (less than \$57,000), and equity requirements. In addition, your first half tax payment (due April 30) must already be paid. Applications are due by September 1.

Questions or Application Requests

Please feel free to call us at 360-337-7160 if you have further questions or would like an application. The local lines are: Olalla 851-4147, or Bainbridge Island 842-2061.

Department of Revenue informational brochures for all programs are available in the Assessor's Office or on the County website.

Office hours: Monday-Thursday 8:00-4:30 & Fridays 9:00-1:00 Closed on holidays.

Kitsap County Assessor's Office • 614 Division Street MS 22 • Port Orchard, WA 98366

E-Mail: assessor@co.kitsap.wa.us Web-site: www.kitsapgov.com/assr

Laws and Rules:

Exemptions – RCW 84.36.379-389 and WAC 458-16A – 100-150

Deferrals - RCW 84.38 and WAC 458-18 Limited Income Deferrals – RCW 84.37 & WAC 458-18A

IMPORTANT INSTRUCTIONS FOR COMPLETING THE APPLICATION

Page 1

Provide the information requested in Parts 1 through 4.

In Part 1, a co-tenant is someone who lives with you and has an ownership interest in your home.

In Part 2, if you are disabled, you must include proof of your disability and the date you became disabled. If you are 100% service-connected disabled from the military, you must include proof of your disability rating and the date you were awarded the 100% rating.

In Part 3, if divorce or legal separation documents determine monetary support or primary residence division, provide a copy of the legal papers or the Kitsap County Superior Court file number. Provide copy of death certificate, if applicable.

In Part 4, if you have a life estate or lease for life, you must provide a copy of the deed conveying this ownership interest. If the primary residence is an asset of a trust (revocable or irrevocable), you must provide a copy of your trust agreement.

Page 2

In Part 5, mark all income sources you, your spouse or domestic partner, and any co-tenants received during the specific assessment year listed on the application – providing copies of all required documentation.

To avoid delays in processing your application, include copies of all the required documentation using the CHECKLIST OF DOCUMENTATION TO INCLUDE (page 4 of application).

In Part 6, your signature must have two witnesses. If you do not have anyone available to witness your signature, take your completed application to the Assessor's Office and someone there will witness your signature. If the application is signed by a power-of-attorney or guardian, you must include a copy of POA or guardianship document.

Pages 3-4

These pages list the required documentation necessary to complete your application. Provide copies of all documents pertaining to your household income and other requested information to verify the eligibility requirements. The Assessor's Office staff will review the application checklist for completeness.

In section A, if you file a tax return with the IRS, you must provide copies of all the forms that were utilized to complete your return.

In section B, provide complete copies of all year-end income source documents (whether you file an IRS tax return or not).

In section C, provide copies if you have any income sources that you did not receive a W2 or 1099, or it is necessary to further demonstrate certain income sources you may receive.

In section D, if you have any allowable out-of-pocket expenses you wish to have deducted from your disposable income, you must provide verification – billing statements, pharmacy statements, credit card statements, etc.

In section E, provide a copy of valid photo identification to verify your date of birth and residential address. If your driver's license does not reflect your current address and you have changed it with the DMV, provide a copy of a confirmation statement. You may also submit voter registration and passport to verify residency and date of birth. You may be required to provide a copy of a homeowner's insurance declaration and utility billing statements to support the residency requirement.

If you are affected by any of the other listed documents, you must provide copies to further confirm your exemption eligibility.

ALL INCOMPLETE APPLICATIONS SHALL BE RETURNED FOR COMPLETENESS

The application and all supporting documents can be submitted at any time during the year.

All applications are processed by date received in the office, and you will be notified by regular mail once the process is completed.

Proof of disability

RCW 84.36.383(7) defines "Disability" as having the same meaning as provided in 42 U.S.C. Sec. 423(d)(1)(A): "The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."

In the absence of a written acknowledgment or decision – which must provide the disability date – by the Social Security Administration or Veterans Administration of a permanent disability, or if requested by the Assessor, a taxpayer applying for property tax exemption as a disabled person must provide a statement completed and signed by a licensed physician. This statement shall indicate the extent of the disability and the expected period or term of the disability. This form is available at the Assessor's Office or you may download it from the website.

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 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 (annuities also include income from unemployment, disability, and welfare);
 - ◆ 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' service-connected disability benefits, and dependency and indemnity compensation; and
 - ◆ Dividend receipts and interest received on state and municipal bonds.
- ◆ **Income from these sources is included in "disposable income" even when it is not taxable for IRS purposes.**

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.

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 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.

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.

You can choose to return the completed Application Packet by mail, fax, email, or you can bring it to our office in person. The office hours are Monday – Thursday 8:00-4:30, Fridays 9:00-1:00. No appointment is necessary.

**The mailing address is: KITSAP COUNTY ASSESSOR
614 DIVISION ST MS-22
PORT ORCHARD WA 98366**

Fax: 360-337-4874 Email: assessor@co.kitsap.wa.us

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BASED ON INCOME FROM 2018

Senior Citizen and Disabled Persons Exemption from Real Property Taxes

Tax Year 2019

INCOME LIMIT OF \$40,000

Chapter 84.36 RCW

Assessment Year 2018

1. Applicant Name		Spouse/Domestic Partner or Co-tenant Name	
Applicant Birth date		Spouse/Domestic Partner or Co-tenant Birth date	
Mailing Address		City	State Zip
Property Address, if different			
Home Phone	Cell Phone	Email	
Tax Account Number/Parcel Number			

2. Check the appropriate box. Proof of age or disability is required.

- I am 61 years of age or older by December 31 of the assessment year on which this exemption is based. **(You must be born in the year 1957 or before to meet the age requirement for this application.)**
- I am under 61 years of age and I am retired from regular gainful employment due to a disability as of December 31 of the assessment year **(2018)**. Disability Determination Date: _____
- I am a veteran with a 100% service connected disability as of December 31 of the assessment year **(2018)**.
- I am the surviving spouse/domestic partner of a person who was previously receiving this exemption and I was at least 57 years of age in the year my spouse/domestic partner passed away.

3. Current Marital Status:

- Single Married Registered Domestic Partnership
 Divorced _____ Legal Separation _____ Terminated a Registered Domestic Partnership
 Widowed – Date of death: _____

4. Property Description, Ownership and Residency. (Must own & physically occupy home on or before December 31, 2018)

My residence is a: Single family home/Townhouse Condominium Multi-unit (duplex) Housing Co-operative

Mobile Home: Year: _____ Make: _____ Vin/Plate No: _____

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):

- Less than 1 acre of land More than 1 acre of land* More than one platted lot or building site

Total parcel or lot size: _____ **acres** **Zoning*:** _____

- More than one dwelling or additional buildings (i.e. 2nd residence, detached garages, pole buildings, workshop, commercial buildings or other structures) _____

***If your parcel is larger than one (1) acre and your local zoning/land use regulations require more than one (1) acre per residence in the area where you live, you may be eligible for an exemption for your entire parcel, up to five (5) acres.**

Date Property Purchased/Acquired: _____

Ownership Type: Owner/Occupant Shared ownership interest _____
 Life Estate/Lease for Life Revocable Trust Irrevocable Trust

Yes **No** Did you physically stay somewhere other than the primary residence for part of the calendar year **2018**? If yes, provide dates and locations: _____

Yes **No** Have you received any exemption before now? **If Yes:** Year: _____ Location: _____

Yes **No** Are you transferring an exemption from a previous residence? Account No. _____

Yes **No** Did you sell a former residence in the past 4 years? **If Yes:** Year: _____ Location: _____

Yes **No** Do you own other real property (within the United States or other country)? If yes, provide address and/or parcel numbers. _____

Yes **No** Did you sell any real property and/or mobile homes in the last 12 months? If yes, provide address and/or parcel numbers. _____

For County Use Only

Exemption Approved: **Category A** **Category B** **Category C** **Required Renewal Year:** _____

Denied (reason): _____

Processed by: _____ **Date:** _____

Part 5. APPLICANT/COAPPLICANT INCOME SOURCES – In 2018: did you, your spouse/domestic partner or co-tenant receive any of the following sources of income? Check ALL boxes that apply:

- File an IRS tax return (1040, 1040A, 1040EZ) Do not file an IRS tax return
- Earned Wages (W-2, 1099-MISC)
- Pension / Annuity / IRA distribution (1099-R)
- Social Security Benefits (SSA/SSDI Form 1099-SSA)
- Supplemental Security Income (SSI)
- Railroad Retirement/Social Security Equivalent Benefit (RRB-1099 & RRB-1099-R)
- Cash and/or Food Assistance: DSHS – Cash DSHS - Food or Other _____
- Non-taxable Veteran’s Disability or Pension Benefits or DIC Benefits \$ _____/month
 - Service-connected disability **Disability Rating (%)** _____ Medical Aid and Attendance Care
- Non-taxable Military Benefits (DFAS Retiree Account Statement showing pre-tax deductions)
- Non-taxable State L & I or U.S. Labor (OWCP) Worker’s Compensation (**Time Loss or Pension**)
- Unemployment Benefits (1099-G)
- Alimony / Spousal Maintenance / Child Support
- Interest and/or Dividends (1099-INT, 1099-DIV)
- Gambling Winnings (W-2G)
- Trust, Royalties, Partnership, Estate/Inheritance (SCH K-1)
- Investments – Capital gains (stocks, mutual funds) (1099-B)
- Foreign Income – (i.e. Out-of-Country Pension)
- Rental, Business and/or Farm Income
- Savings, Certificate of Deposit (CD), Money Market Accounts
- Reverse Mortgage
- Family and/or Friends, or Others (gifts, loans) Source: _____ Amount: _____
- Yes** **No:** Are other persons living in the home? If yes,
 - Yes** **No:** Do they contribute to the household expenses (rent, groceries, utilities, etc)? If yes, Monthly contribution amount \$ _____

6. By signing this form I confirm that I:

- Have completed the application to the best of my ability and the required documentation is included.
- Understand it is my responsibility to notify you if I have a change in income or circumstances and that any exemption granted through erroneous information is subject to the correct tax being assessed for the last five years, plus a 100 percent penalty.
- Declare under penalty of perjury that the information in this application packet is true and complete.
- Request a refund under the provisions of RCW 84.69.020 for taxes paid or overpaid as a result of mistake, inadvertence, or lack of knowledge regarding exemption from paying real property taxes pursuant to RCW 84.36.381 through 389.

You must have two people witness your signature. Otherwise, you must present your application in person and an employee of the Kitsap County Assessor’s Office will witness your signature.

Signature of Applicant	Date	1 st Witness Signature (If not signed at Assessor’s Office)	Date
By: Guardian or POA for Applicant, If Applicable (MUST provide copy of Power of Attorney)	Date	2 nd Witness Signature (If not signed at Assessor’s Office)	Date
		Signature of Assessor or Deputy	Date

Checklist of Documentation to Include

INCOME YEAR: 2018

A. Federal Tax Forms Non-filing Status

- Form 1040, 1040A, or 1040EZ
- Form 1040X – Amended Return
- Form 1040-NR, 1040-NR-EZ
- Schedule B – Interest & Ordinary Dividends
- Schedule C – Profit & Loss from Business
- Schedule D – Capital Gains & Losses
- Schedule E – Supplemental Income & Loss
- Schedule F – Profit & Loss from Farming
- Schedule K-1 – Beneficiary’s Share of Income
- Schedule SE – Self-employment tax deduction
- Form 8949 – Sales & Other Dispositions
- Form 8829 – Expenses for Business Use of your Home
- Form 4797 – Sales of Business Property
- Form 6252 – Installment Sale Income
- Form 1116 – Foreign Tax Credit
- Form 2063 – US departing alien income tax statement
- Form 2555 – Foreign earned income annual certificate of compliance
- Form 2555-EZ – Foreign earned income exclusion
- Form 5498 – IRA contribution information
- Form 8889 – Health savings account (HSAs)

If you file an IRS Tax Return, we will need to see ALL the supporting income documentation.

For example: if you file a tax return and received interest, dividends, pension, social security, etc., we will need to see all those documents that correspond with the figures listed on the tax return.

B. Income Verification Documents

- W-2’s** - Wage & Tax Statement
- W-2-G** - Certain Gambling Winnings
- SSA-1099** - Social Security Benefits
- 1099-R** – Pension, Annuities, IRA, Insurance Contracts
- 1099-Int** - Interest Income
- 1099-Div** - Dividends & Distributions
- 1099-B** - Proceeds from Broker & Barter Exchange
- 1099-G** – Unemployment Compensation
- 1099-Misc** – Miscellaneous Income
- 1099-S** - Proceeds from Real Estate Transactions
- RRB-1099** - Railroad Retirement Benefits
- RRB-1099-R** – Railroad Pension Benefits
- 1099-C** – Cancellation of Debt
- 1099-LTC** – Long Term Care & Accelerated Death Benefits
- 1099-SA** – Distribution from an HSA, Archer MSA, or Medicare Advantage MSA
- 1098-E** – Student loan interest statement

NOTE:

Many 1099 statements have multiple pages (1099 Consolidated Form, 1099Div, 1099B). Please include ALL pages if you receive these statements.

C. Other Income Sources (Check Only If Applicable)

If you have income from other sources and **you did not receive a W2 or 1099 for the income you received**, you must provide the following:

- Copies of all 12 monthly bank statements (**January through December 2018**)
- Copies of statements (full year) from organizations that issued the payments (SSI, DSHS, WA Labor & Industries, U.S. Dept. of Labor (OWCP), etc.)
- A copy of Retiree Account Statement or Annuitant Account Statement from DFAS – disclosing all pre-tax deductions from military benefits.
- A copy of your service-connected disability rating & benefit amount from the Veterans Administration.
- A copy of dissolution of marriage or legal separation documents – disclosing spousal maintenance, alimony, child support, or other income supplement.
- Signed Statement of Non-Owner Occupant from any person contributing to your household expenses

D. Proof of Allowable Expenses (Check Only If Applicable)

Provide documentation for the allowable out-of-pocket expenses that were not reimbursed by insurance or a government program – **Only for the following items:**

- Care in a nursing home, assisted living, or licensed adult family/boarding home (statements/invoices)
- In-home care (statements/invoices)
- Prescription drugs (Most pharmacies will provide a year-end print-out if you ask for one.)
- Medicare premiums **only** (Part B; Part C -Medicare Advantage; Part D – Prescription Drug insurance plans. **Not** Medigap or other supplemental insurance (**1099-SSA, OPM – Notice of Annuity**))
- Self-employed health insurance premiums (If Applicable for IRS AGI deduction)

E. Proof Of Age Or Disability

- A copy of your driver’s license or State issued photo identification
- If eligibility is based on a disability and we do not already have verification on file,**
 - A copy of your disability award letter from Social Security Administration w/date of disability
 - A copy of a disability rating letter from Veterans Administration w/date of disability and percent rating
 - Proof of Disability form completed by your physician/physician assistant (nurse practitioner not acceptable)

AND Proof Of Ownership And Residency

- A copy of your deed to verify ownership (i.e. statutory warranty deed, quit claim deed, real estate contract, etc.)
- A copy of mobile home title or proof of title elimination (If Applicable)
- A Verification of Residency & Capital Gain/Loss Worksheet if previous residence sold in last 12 months
- A copy of the Settlement Statement if you sold a previous residence in the last 12 months
- An Ownership Affirmation Statement (If Applicable – Co-tenant does not occupy residence with claimant)
- A complete copy of your Trust document (If Applicable)
- A copy of Power of Attorney or Guardianship (If Applicable)
- A copy of Death Certificate (If Applicable)
- A copy of Decree of Dissolution, Legal Separation, or Property Settlement Agreement (If Applicable)

*****To establish residency, your driver’s license(s) and voter registration(s) are verified. If the primary residence on either of these sources DOES NOT MATCH, further proof of residency will be required. *****

COUNTY USE ONLY:	Application Type:	NEW	RENEWAL	STATUS CHANGE
1. <input type="checkbox"/> Complete <input type="checkbox"/> Incomplete	Deputy Assessor _____	Date _____	<input type="checkbox"/> Counter <input type="checkbox"/> Mail <input type="checkbox"/> Fax/Email	
2. <input type="checkbox"/> Complete <input type="checkbox"/> Incomplete	Deputy Assessor _____	Date _____	<input type="checkbox"/> Counter <input type="checkbox"/> Mail <input type="checkbox"/> Fax/Email	
3. <input type="checkbox"/> Complete <input type="checkbox"/> Incomplete	Deputy Assessor _____	Date _____	<input type="checkbox"/> Counter <input type="checkbox"/> Mail <input type="checkbox"/> Fax/Email	