

BASED ON INCOME FROM 2018

Change in Status Report for Senior Citizen and Disabled Persons Exemption from Real Property Taxes

Chapter 84.36.385 RCW

File this form with the Kitsap County Assessor within 30 days of your change in status.

| | | | |
|---|------------|--|--|
| 1. Program Participant Name | | County Use Only | |
| Spouse/Domestic Partner or Co-tenant Name | | 2018 Year | Assessment for 2019 Year Taxes |
| Mailing Address | | Current Status: _____ | |
| City, State, Zip | | <input type="checkbox"/> Approved for Exemption on: A <input type="checkbox"/> 60% of value but not less than \$60,000 B <input type="checkbox"/> 35% of value but not less than \$50,000 or more than \$70,000 C <input type="checkbox"/> Excess levies only | |
| Home Phone | Cell Phone | <input type="checkbox"/> Denied (reason): _____ Processed by: _____ Date: _____ | |
| Email Address | | | |
| Property Parcel or Account Number: | | | |

2. My Status Has Changed Because:

Date of Change Check all that apply.

_____ The person receiving the exemption passed away. If you are the surviving spouse/domestic partner and are at least 57 years old, you may qualify to continue the exemption. You must file a new application within 90 days of the date of death.

_____ My income has changed and will affect my current level of exemption status. **Must provide documents.**

_____ My marital status has changed. Married Divorced Legal Separation Widowed

OR Entered or Terminated a Registered Domestic Partnership

_____ I sold my residence.

_____ I moved to a different principal residence – Address _____

_____ I am no longer disabled or I have entered into gainful employment.

_____ Other (Specify): _____
 (Include any changes that affect the property such as: new construction, boundary line changes, rentals, ownership changes, zoning and land use changes, etc.)

NOTE: If you sold your residence or moved, in order to transfer your exemption to your new residence you will also need to submit a new application in the county where the new residence is located.

3. By signing this form I confirm that I:

- ✓ Understand that any exemption granted through erroneous information is subject to a tax correction being assessed for up to the last five years, plus a 100 percent penalty.
- ✓ Declare under penalty of perjury that the information provided on this form and any attachments 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 Change in Status form in person and an employee of the Assessor's Office will witness your signature.

| | | | |
|--|------|--|------|
| Signature of Program Participant | 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 |

IMPORTANT INSTRUCTIONS FOR COMPLETING THE CHANGE IN STATUS FORM

Provide the information requested in Parts 1 through 4.

In Part 1, provide current information including your mailing address, property address if different, home and cell phone numbers, email address, and property tax account number.

In Part 2, check all items that apply to your status change and the date the change took effect.

If you are reporting an income change, you must include a copy of all income documentation. **Be sure to provide the proper documents by using the CHECKLIST OF DOCUMENTATION TO INCLUDE.** If you are reporting a death of the claimant, spouse/domestic partner, or any co-tenants, provide a copy of a death certificate. If you are reporting a divorce or legal separation, provide a copy of the decree of dissolution or separation agreement.

In Part 3, Your signature in Part 3 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.

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 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.

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 (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' 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.**

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.

Checklist of Documentation to Include

INCOME YEAR: 2018

A. Federal Tax Forms

- 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 and 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
- In-home care
- Prescription drugs (Most pharmacies will provide a print-out for the year 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 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)

| 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 | |