

# Property Tax Exemptions for Senior Citizens and Disabled People

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## **What is the property tax exemption?**

The property tax exemption is a way to lower the property taxes you have to pay by exempting all excess levies (like school construction bonds and other levies passed by voters) and sometimes part of regular levies on your home. The program does not apply to property where you do not live a majority of the time, or to more than one acre surrounding your home.

## **Do I have to pay the money later, or will there be a lien on my property?**

No. This program actually reduces the amount of property taxes that you are obligated to pay. Once you sign up and are eligible, you no longer owe those higher taxes, so you don't have to pay them back. No one, including the state, will have a lien or other interest in your property because you participate in this program.

## **Who is eligible?**

Any homeowner or mobile home owner is eligible who (1) uses the home as their principal residence; (2) has a limited income; and (3) either will be age 61 by December 31<sup>st</sup> in the year of application, or is a disabled person of any age who is unable to work because of a physical or mental impairment (a doctor's written statement is required). Any surviving spouse of a person receiving an exemption at the time of the person's death shall qualify for an exemption if s/he is 57 years or older and is otherwise eligible.

## **What is considered a limited income?**

To qualify for an exemption, the maximum amount of annual household income allowed is \$35,000. "Household income" includes your income, your spouse's income, and income from anyone else who lives with you and has an ownership interest in the home. Deductions for medical expenses may apply.

## **How long does eligibility last?**

Eligibility lasts as long as you meet the age or disability and the income requirements. The exemption becomes effective for taxes in the year following the year you apply. However, if you met the requirements in the past, but did not get the exemption, it is possible to receive the exemption three years retroactively. This could mean a refund of taxes you already paid out.

## **What is the exemption amount?**

If your household income is between \$0 and \$25,000, you are exempt from regular property taxes on the first \$60,000 or 60% of your home's assessed value, whichever is greater.

If your household income is between \$25,001 and \$30,000, you are exempt from regular property taxes on the greater of \$50,000 or 35% of the assessed value, whichever is greater, not to exceed \$75,000 of your home's assessed value.

If your household income is between \$30,001 and \$35,000, you are exempt from all excess property taxes. Excess property taxes or special levies require voter approval and provide money for a specific purpose, such as school bonds or maintenance and operation levies.

### **What if I can't pay the reduced rate of taxes?**

If you are delinquent in taxes and unable to pay even at the reduced rate, or if your home is in foreclosure or foreclosure is threatened due to delinquent taxes, you may be able to have your property taxes deferred. A property tax deferral is different from a property tax exemption. A property tax exemption *reduces the amount of taxes owed*; a tax deferral allows a qualifying homeowner to *postpone payment*. When taxes are deferred, the taxes owed plus interest become payable when the eligible homeowner or surviving spouse dies, when the home is sold, or when the homeowner no longer resides permanently in the home. In addition to meeting the eligibility requirements for the tax deferral program, if money is owed on a home loan or a real estate contract, you may need to obtain permission from the lender or the contract seller to defer paying taxes. This publication does not explain the eligibility requirements or considerations for the property tax deferral program.

### **How do I apply?**

Call your county assessor or treasurer's office to apply for or get more information about the senior citizens and disabled persons tax exemption program or the property tax deferral program.

### **What if my application for an exemption is denied?**

If your application for an exemption is denied you may appeal to the Board of Tax Appeals. An appeal may be formal or informal and should be filed within 30 days of the date the denial was mailed. Generally speaking, if you lose a formal appeal then you may appeal to a higher court, whereas an informal appeal renders a final decision. Contact your county assessor or treasurer's office for information about the forms to appeal.

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