

Introduction to Property Tax Exemption for Senior Citizens/Disabled Persons

The Senior/Disabled Persons Property Tax Reduction Exemption program is a Washington State program that is administered by each County Assessor's office in Washington with the guidance of the Department of Revenue.

The purpose of the exemption program is to allow senior citizens and/or disabled persons the ability to age in place.

The exemption program "freezes" the assessed value of the applicant's principal place of residence and reduces the tax amount due based on the applicant's level of income. The property taxes are reduced and the applicant does not have to repay these taxes.

This is a Tax shift. The taxes not paid are shifted to others within the county. Because it is a shift in taxes the Assessor's office does a through review of those applying for the program.



Qualifications for the program

- **Age/Disability:** The applicant must be 61 years of age or Disabled by December 31st of the assessment year.
- **Ownership:** The residence must be owned by the applicant by December 31st of the assessment year. (example: owned in 2021 to receive discount in 2022)
- **Residency:** Home must be the applicants primary place of residence, and must reside in the home 6 months or more each year. (applicant can still qualify if residing in a nursing home, assisted living facility or adult family home)
- **Income:** Must have an annual household income of \$50,348 or less. Both taxable and non-taxable income is included, excluding VA disability.

Income Levels

- The program is income driven and the amount of relief received is based upon household level of income.
- **3 Levels of Income**
- **Level 1: \$34,856 and below-** Applicants at this level will be exempt from paying regular property tax on \$60,000 or 60% (whichever is greater) of the home and land's assessed value.
- **Level 2: \$34,857- \$42,602** Applicants at this level will be exempt from paying regular property tax on \$50,000 or 35% (whichever is greater), but not more than \$70,000 of the home and land's assessed value.
- **Level 3: \$42,603 - \$50,348** Applicants will be exempt from excess levies, special levies and Part 2 of State School Levy.



Assessments

1. Assess at 100% of Market Value
2. Assess at Highest and Best Use
3. Assess properties in equity
4. Assess utilizing Mass Appraisal
5. Assess per IAAO Standards



Tax Formula

$$\frac{\text{Tax District Budget}}{\text{Total Assessed Value}} = \text{Tax Rate}$$

OR Taxes = Value Based

WA Taxes = Budget Based

Impact Higher Assessments

Value Based System (OR) – Higher Property Taxes
Budget Based System (WA) – Lower Tax Rates

$\frac{\text{Tax District Budget}}{\text{Total Assessed Value}} = \text{Tax Rate}$

$$\frac{1}{2} = .5$$

$$\frac{1}{4} = .25$$

$$\frac{\text{Budget } \$1,000,000}{\text{TAV } \$2,000,000} = \$0.50 \text{ Tax rate}$$

$$\frac{\text{Budget } \$1,000,000}{\text{TAV } \$4,000,000} = \$0.25 \text{ Tax rate}$$

Assessor Contact Information

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