

PROPERTY TAX DEFERRAL

For Homeowners With Limited Income.

If you are a homeowner with limited income, Washington State has a program that may help you pay your property taxes and/or special assessments.

Under this program, the Department of Revenue will pay 50% of your property taxes and special assessments on your behalf. The program is not an exemption or grant. Once you no longer own or use the property as your personal residence, you must repay the deferred taxes. The deferred taxes plus interest will become a lien against the property in favor of the State until the total amount is repaid.

How Do You Qualify?

To be eligible for this program, you must meet the ownership, residency, income, and equity requirements, and your *first tax installment for the year must be paid.*

Ownership/Residency

You must have owned your home for more than five calendar years prior to submitting your application. The home must be your primary residence at the time you apply and must be owner occupied for at least 6 months out of the year.

Income

Your total annual household income for the previous calendar year, including the income of your spouse/domestic partner and any co-tenants, must be \$57,000 or less.

Equity

You must have sufficient equity in your home. Equity is the difference between the assessed

value of the property and any debts secured by the property. Debts include mortgages, lines of credit, special assessments, and any other liens against the property. The taxes deferred cannot exceed 40% of your equity.

Here is an example of the equity calculation:

Equity Calculation:

Assessed Value.....\$250,000
Mortgage Balance.....\$150,000
Equity Value.....\$100,000
40% of \$100,000 equals \$40,000

\$40,000 would be the maximum amount that could be deferred in this example.

Insurance

You must carry fire and casualty insurance, and the State of Washington Department of Revenue must be listed as a "Loss Payee" on your policy. A copy of the summary declaration for your policy must be submitted at time of application.

Interest On Deferred Amounts

The interest rate is based on an average of the federal short-term rate plus 2%. For 2008 the interest charge will be 5%. This rate will apply until the 2009 deferred amount is paid in full.

When And How To Apply

Applications for the deferral program will be accepted in the year the taxes are due and must be received no later than September 1. Applicants will

qualify only after their first half tax payment has been made.

If you meet all of the qualifications, you may be able to defer your 2nd half property tax payment once your 1st half installment has been paid in full.

As long as you qualify for the program, you can continue to defer your tax by submitting a renewal application each year.

Repayment Of The Deferred Taxes

You may choose to pay any or all of your deferral balance at any time. However, you **must** repay the deferred taxes and/or special assessments and accrued interest if any of the following circumstances occur:

- Your property is transferred or conveyed to someone else.
- Upon your death, unless your surviving spouse meets the qualifications under this program and elects to continue in the program.
- You no longer permanently reside at the residence.
- Your property is condemned.

Contact Information

For more information contact the Pierce County Assessor-Treasurer's office at (253)798-7146 or the Department of Revenue at (360)570-5900.

We work for you the taxpayer.
253-798-6111 Customer Service

www.piercecountywa.org/atr



Dale Washam
Assessor-Treasurer