

APPENDIX 3

Copy of Kitsap's Application, 2008 version that misrepresents the controlling law (the first element of FRAUD) that Assessors are required to publish under RCW 84.36.385(6). The pertinent section is page 3, first paragraph. Compare this section to the controlling law, RCW 84.36.383(5). It is a "black and white" issue.

**SENIOR CITIZEN OR DISABLED PERSONS EXEMPTION FROM
REAL PROPERTY TAXES**

New Application

TAX YEAR 2008

1. Name & Address		County Use Only
↑Claimant's Name (last, first, middle)	↑Date of Birth	B/Yrs _____
↑Spouse or Co-tenant (last, first, middle)	↑Date of Birth	Transfer _____
↑Telephone Number	↑Email Address	A/O D/A O/B
↑Mailing Address	City	State
		Zip
Please check appropriate box: <input type="checkbox"/> At least 61 years of age on or before December 31, 2007. <input type="checkbox"/> Retired from regular gainful employment by reason of disability (Proof required) <input type="checkbox"/> Surviving spouse of a person approved for this exemption AND at least 57 years old.		APPROVED / DENIED ZONING: _____ Comb. / Seg. A B C Processed by _____

Note: A change in residence requires a new application to be filed.

2. Type of Residence: (Check one)

Single Family Dwelling
 Cooperative Housing
 One unit of a Multi-Unit Dwelling
 Mobile Home (On leased land)

3. Type of Ownership: (Check appropriate boxes)

Owner
 Co-tenant
 Life Estate AF# _____
 Lease For Life AF# _____

Contract Purchase
 Revocable Trust (**Must attach Declaration of Trust**)
 Irrevocable Trust (**Must have Life Estate**)

4. Description of Property:

Tax Account Number(s): _____ Acres or Lot Size: _____

Date Home Purchased: _____ Date Home Occupied: _____

Property Address: _____

Yes / No: I have sold property within the last year. **Yes / No:** I own more than one piece of property.

5. All Gross Income of Claimant, Spouse and Co-tenant: (Please see instructions for completing Income)

Yes / No (Circle One): I file an Income Tax Return with the IRS. (Must provide a complete copy including all schedules.)

Please report combined taxable and non-taxable gross annual income, regardless of source.

INCOME		EXPENSES	
(A) Gross Social Security (Before Medicare deduction)	\$ _____	(G) In-Home Care Expenses (Non-reimbursed)...	(_____)
(B) Pension, Annuities, IRA, Retirement Bonds, Military Retirement/Veterans Benefits...	\$ _____	(H) Nursing Home, Boarding Home, Adult Family Home, or Assisted Living Expenses (Non-reimbursed)...	(_____)
(C) Interest & Dividends...	\$ _____	(I) Prescription Drugs (Non-reimbursed)...	(_____)
(D) Wages...	\$ _____	(J) Medicare Premiums under Title XVIII of the Social Security Act)...	(_____)
(E) Investment Income...	\$ _____	IRS Adj Gross Income Deducts (Pg.1 - Lines 23-35):	(_____)
(F) All Other Income...	\$ _____		
INCOME SUBTOTAL	\$ _____	TOTAL INCOME LESS EXPENSES:	\$ _____

TOTAL Combined Income For 2007 **Maximum Income Limit \$35,000**

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THIS CLAIM IS SUBJECT TO AUDIT BY THE DEPARTMENT OF REVENUE

Any exemption granted through erroneous information shall be subject to the correct tax being assessed for the last three years, plus 100 percent penalty. I swear under the penalties of perjury that all of the foregoing statements are true.

Signature of Claimant

Date

Deputy Assessor

IMPORTANT NOTE Must provide documentation of Income:

Please attach copies of all source documents (See Instructions for required documentation), such as your Federal IRS tax return, year-end social security statements, W-2 statements, etc. Also, non-reimbursed expenses such as in-home care, nursing home, and prescription drugs, etc.

Eligibility in this program is determined by the combined disposable income of the claimant, spouse and/or co-tenant(s) during the application year – the year prior to the exemption. Proof of income is required.

**INSTRUCTIONS FOR COMPLETING THE SENIOR CITIZEN
AND DISABLED PERSONS EXEMPTION APPLICATION**

The item numbers listed below relate to the numbers on the front of this form.

1. **Name and address:** Enter your name, spouse and/or co-tenant name, date of birth, telephone number and mailing address. Check only the boxes that apply. Attach proof of disability.
2. **Type of Residence:** (Check one). (REV 64 0010 must be filed on Cooperative Housing).
3. **Type of Ownership:** (Check appropriate boxes). (REV 64 0010 for Life Estate and Lease for Life must be filed if you have not provided a copy of the Deed or Lease). (REV 64 0085 Must be filed for all Trusts.)
4. **Description of Property:** Tax account number can be obtained from your latest tax statement or your county assessor. Capital Gain/Loss Worksheet must be completed if home purchased/sold during application income year. **If your residential parcel is larger than one (1) acre and your local zoning and 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.**
5. **Income:** All gross income from whatever source of the claimant, his or her spouse and any co-tenants must be reported. The actual amount expended for attendant care and medical aid may be deducted from veterans and military benefits. Non-reimbursed nursing home, boarding home or adult family home expenses incurred by the claimant and his or her spouse may be deducted from the gross income. The non-reimbursed amounts paid for the care or treatment of the claimant and his or her spouse in the home may be deducted from gross income. **For additional information on calculating income see Instructions for completing Section 5 (Income).** In-home care or assistance means medical treatment or care received in the home; items such as food, oxygen, or meals on wheels that are part of a necessary or appropriate in-home service; special needs furniture or attendant care and light housekeeping tasks. Payments for in-home care must be reasonable and at a rate comparable to those paid for similar services in a nursing home. The person providing the care or treatment does not have to be specially licensed. Non-reimbursed prescription drug costs incurred by the claimant and his or her spouse may be deducted from income. Insurance premiums for Medicare under Title XVIII of the Social Security Act may be deducted from income.
 - Indicate by marking the checkbox whether you file a tax return with the IRS.
 - Co-tenant means a person who resides with the claimant and who jointly owns the residence.

Eligibility Certification and Declaration: Be sure to read this entire form before signing. This form may be signed by the applicant, by his/her attorney, by the holder of the mortgage or contract, or by any authorized agent of the claimant.

Tax Relief: The appropriate tax reduction will begin with tax year 2008. There are three levels of tax reduction, based on income:

- **Income up to \$25,000** – Exempt from voted levies and a \$60,000 or 60% reduction in assessed value, whichever is greater.
- **Income of \$25,001 - \$30,000** – Exempt from voted levies and a \$50,000 or 35% reduction in assessed value (not to exceed \$70,000), whichever is greater.
- **Income of \$30,001 - \$35,000** – Exempt from voted levies only.

Instructions for Completing Section 5 (Income) of the Application

Eligibility in this program is determined by the combined disposable income of the applicant during the assessment year. RCW 84.36.383 describes how to calculate combined disposable income. All income for the applicant, his/her spouse, and any co-tenants must be reported. Co-tenant means a person who resides with the claimant and who jointly owns the residence. **If you file a tax return with the IRS and your return included any deductions for the following items or if any of these items were not included in your adjusted gross income, they must be reported on your application for purposes of this exemption program:**

- Capital gains (cannot offset with losses)
- Dividends
- Interest on state and municipal bonds (non-taxable interest)
- Social Security benefits
- Pensions & annuity receipts
- Veterans benefits
- Railroad retirement benefits
- Military pay & benefits
- Amounts deducted for loss
- Amounts deducted for depreciation

Income Deductions

- 1) Capital gains you receive from the sale of your principal residence, **IF** the gain is reinvested in a replacement principal residence,
- 2) Insurance premiums for Medicare under Title XVIII of the Social Security Act may be deducted from income,
- 3) Non-reimbursed prescription drug expenses may be deducted from gross income,
- 4) Non-reimbursed nursing home, boarding home, or adult family home expenses incurred by the claimant, his/her spouse, or co-tenants, and
- 5) Non-reimbursed amounts paid for the care or treatment of the claimant, his/her spouse, or co-tenants in the home.

In-home care or assistance means medical treatment or care received in the home, including medical treatment, physical therapy, Meals on Wheels (or similar meal delivery service), and household and personal care, including assistance with preparing meals, getting dressed, eating, taking medications, or areas of personal hygiene; Also included are special needs furniture and equipment, such as wheelchairs, hospital beds and oxygen.

Payments for in-home care must be reasonable and at a rate comparable to those paid for similar services in the same area. The person providing the care or treatment does not have to be specially licensed.

Exceptions

If the person claiming the exemption was retired for two months or more of the assessment year, the income is calculated by multiplying the average monthly income (during the months such person was retired) by twelve.

If the income of the applicant is reduced for two or more months of the assessment year because of death of their spouse, or when a substantial change in income occurs that will continue indefinitely, the income is calculated by multiplying the average monthly combined disposable income after the occurrences by twelve.

You may contact the county assessor for assistance on reporting instructions.

Documentation

Documentation of all income receipts must be provided to the Assessor. To the extent your return includes any of the following forms or schedules, a copy must be included with your application.

- IRS Form 1040
- IRS Form 1040A
- IRS Form 1040EZ

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- Schedule B - Interest & Ordinary Dividends
- Schedule C - Profit & Loss from Business (Sole Proprietorship)
- Schedule D - Capital Gains & Losses
- Schedule E - Supplemental Income & Loss
- Schedule F - Profit & Loss from Farming
- Form 4797 - Sales of Business Property
- Form 6252 - Installment Sale Income
- Form 8829 - Expenses for Business Use of your Home
- Social Security Statement (Generally, SSA 1099)
- 1099-G – Unemployment Compensations, State & Local Income Tax Refunds, Agricultural Payments
- 1099-Int - Interest Income
- 1099-Misc - Contract Income, Rent & Royalty Payments, Prizes
- 1099-R - Distributions from Pensions, Annuities, IRA's, Insurance Contracts, Profit Sharing Plans
- 1099-S - Proceeds from Real Estate Transactions
- RRB-1099 - Railroad Retirement Benefits
- SSA-1099 - Social Security Benefits

The following 1099's:

- 1099-B - Proceeds from Broker & Barter Exchange
- 1099-Div - Dividends & Distributions
- 1099-G – Unemployment Compensations, State & Local Income Tax Refunds, Agricultural Payments
- 1099-Int - Interest Income
- 1099-Misc - Contract Income, Rent & Royalty Payments, Prizes
- 1099-R - Distributions from Pensions, Annuities, IRA's, Insurance Contracts, Profit Sharing Plans
- 1099-S - Proceeds from Real Estate Transactions
- RRB-1099 - Railroad Retirement Benefits
- SSA-1099 - Social Security Benefits

Non-IRS Filers: For applicants who do not file an IRS return, you must provide documentation of all income that would have been reported on a federal return by you, your spouse, and any co-owners living with you. Standard federal documents used by others to report income they paid out, including but not limited to, the following:

1. W-2's - Wage & Tax Statement
W-2-G - Certain Gambling Winnings
2. 1099's
 - 1099-B - Proceeds from Broker & Barter Exchange
 - 1099-Div - Dividends & Distributions

Other types of payments may be found listed in the IRS Publication "Instructions for Forms 1099, 1098, 5498, and W-2G".

If you have income from other sources that you did not receive a W2 or 1099 for (e.g. tips, cash earned from yard sales or odd jobs, rental income, groceries purchased for you in return for a room in your house, etc.), or do not have any income reported to you on W2s or 1099s, a copy of all your monthly bank statements and a statement describing the type of income received and the dollar amounts of income that were not placed in the bank for the year the application is being filed must be submitted with your application.

PROOF OF EXPENSES

You also need proof (e.g. invoices, bills or cancelled checks) for nursing home, boarding home, or adult family home care, in-home care, or prescription drugs purchased by you or your spouse, provided these amounts were not reimbursed by a government program or insurance. You can ask for a print out of prescription drug expenses from your pharmacy.

Application Checklist

TAXPAYER: _____ ACCT. NO: _____

When submitting your application, make sure the application packet is complete and that you verify the following information:

Application Information:

- Name, Mailing Address, Telephone Number, email address, if any, and Birthdate(s)
- Proof of Disability Form (If not age 61 or older)
- Yes/No - If Life Estate or Lease for Life Box Checked –
Copy of Document or Auditor File Number on Application
- Yes/No - If Revocable or Irrevocable Trust Box Checked –
Signed Declaration of Trust AND copy of Trust Document
- Date Home acquired and date occupied
- Property address – if different from mailing address
- Yes/No Checkbox – Sold Property during application income year
- Yes/No Checkbox – Applicant owns more than one piece of property
- Yes/No Checkbox – IRS Tax Return Filed (**If Yes, Must provide a complete copy of tax return**)
- Proof Of Income & Expenses – Copies of all income documents must be submitted with application. If deducting for allowable expenses, you must submit proof of expenses.
- Signature on Application

Income Sources – Please indicate if you, your spouse or co-tenant receives any of the following:

Yes / No: Social Security Benefits

Yes / No: Supplemental Social Security Benefits

Yes / No: State Cash and/or Food Assistance

Yes / No: Non-taxable Veteran's Disability Benefits

Yes / No: Non-taxable Military Benefits

Yes / No: L & I Worker's Compensation

Yes / No: Unemployment Benefits

Yes / No: Other Non-Taxable Income Sources

Yes / No: Tax-Exempt Interest from State or Municipal Bonds (Look at Line 8 on tax return)

COPIES OF ALL INCOME AND EXPENSE DOCUMENTS ATTACHED.