WAC 458-16A-130 Senior citizen, persons with disabilities, and veterans with disabilities exemption—Qualifications for exemption. (1) **Introduction.** This rule provides the qualifications a claimant must meet for the exemption on a principal residence as described in RCW 84.36.381. To qualify for the exemption, the claimant must:

(a) Meet the age or disability requirements as described in subsection (2) of this rule;

(b) Have a combined disposable income below the prescribed amounts in subsection (3) of this rule; and

(c) Own the property and occupy it as their principal residence for more than six months each calendar year as described in subsection (4) of this rule.

(2) **Age, retirement, and disability requirements.** To qualify for the exemption:

(a) The senior citizen claiming the exemption must be age 61 or older on December 31st of the year in which the claim is filed. No proof is required concerning a senior citizen's employment status to claim the exemption.

(b) The person with disabilities claiming the exemption must be at the time of filing, retired from regular gainful employment and unable 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.

(c) The veteran with disabilities claiming the exemption must be at the time of filing, a veteran of the armed forces of the United States entitled to and receiving compensation from the United States Department of Veterans Affairs (VA) at:

(i) A combined service-connected evaluation rating of 40 percent or higher; or

(ii) A total disability rating for a service-connected disability without regard to evaluation percent.

(d) The surviving spouse or domestic partner of a claimant, who applies to continue their spouse's or domestic partner's exemption, must be age 57 or older in the calendar year the claimant dies.

(3) **Income requirements.** To qualify for the exemption, the claimant's combined disposable income must be equal to or less than one of the three income thresholds described in RCW 84.36.383. The income thresholds, which are published by the department beginning August 1, 2023, and by March 1st every third year thereafter, will determine the amount of property tax the claimant is exempt from on their principal residence, as follows:

(a) Income threshold 3. A claimant's combined total disposable income that is equal to or less than income threshold 3 is exempt on their principal residence from the following:

(i) All excess property taxes;

(ii) The additional state property tax imposed under RCW 84.52.065(2); and

(iii) The portion of the regular property taxes authorized pursuant to RCW 84.55.050 to remove the property tax levy limit (lid lift) approved by the voters, if the legislative authority of the county or city imposing the additional regular property taxes identified this exemption in the ordinance placing the lid lift measure on the ballot.

(b) Income threshold 2. A claimant's combined total disposable income that is equal to or less than income threshold 2, but greater

than income threshold 1, is exempt on their principal residence from the following:

(i) All property taxes listed under income threshold 3; and

(ii) All regular property taxes on the greater of $50,000 or 35 percent of the valuation of their residence, but not to exceed $70,000 of the valuation of their residence.

(c) Income threshold 1. A claimant's combined total disposable income that is equal to or less than income threshold 1, is exempt on their principal residence from the following:

(i) All property taxes listed under income threshold 3; and

(ii) All regular property taxes on the greater of $60,000 or 60 percent of the valuation of their residence.

(d) Subsequent adjustments. Beginning with the adjustment made by August 1, 2023, as provided in this subsection (3), and every adjustment thereafter, if an income threshold in a county is not adjusted based on percentage of county median income, then the income threshold must be adjusted based on the growth of the seasonally adjusted consumer price index for all urban consumers (CPI-U) for the prior 12-month period as published by the United States Bureau of Labor Statistics. In no case may the adjustment be greater than one percent. The adjusted thresholds must be rounded to the nearest one dollar. If the income threshold adjustment is negative, the income threshold for the prior year continues to apply.

(e) Changes in combined disposable income. The amount that the claimant is exempt from is calculated based on combined disposable income, as defined in RCW 84.36.383.

(i) If the claimant was retired for two months or more of the assessment year, the combined disposable income of the claimant must be calculated by multiplying the average monthly combined disposable income of the claimant during the months they were retired by 12.

(ii) If the income of the claimant is reduced for two or more months of the assessment year by reason of the death of the claimant's spouse or domestic partner, or when other substantial changes occur in disposable income that are likely to continue for an indefinite period of time, the combined disposable income of the claimant must be calculated by multiplying the average monthly combined disposable income of the claimant after the occurrences by 12.

(iii) If the income of the claimant increases as a result of a cost-of-living adjustment to Social Security benefits or supplemental security income in an amount that would disqualify the applicant from eligibility, the applicant is not disqualified but instead maintains eligibility. The continued eligibility under this subsection (e)(iii) applies to applications for property taxes levied for collection in calendar year 2024.

(iv) If it is necessary to estimate income to comply with this subsection (e), the assessor may require confirming documentation of the income prior to May 31st of the year following application.

(4) **Principal residence requirements.**

(a) General qualifications. To qualify for the exemption, the claimant must own the property and occupy it as their principal residence for more than six months each calendar year and must occupy the principal residence at the time of filing for each year the exemption is claimed.

(b) Valuation of residence. If a claimant qualifies for the exemption and has a combined disposable income equal to or less than income threshold 3, the valuation of the residence is the assessed value

of the residence on the later of January 1, 1995, or January 1st of the assessment year the claimant first qualifies for the exemption.

(i) If the claimant subsequently fails to qualify only for one year because of high income, this same valuation must be used upon requalification. If the claimant fails to qualify for more than one year in succession because of high income or fails to qualify for any other reason, the valuation upon requalification is the assessed value on January 1st of the assessment year in which the claimant requalifies.

(ii) If a claimant transfers the exemption to a different residence, the valuation of the different residence is the assessed value of the different residence on January 1st of the assessment year in which the claimant transfers the exemption.

(iii) Valuation for the residence under this subsection (4)(b) may not be greater than the true and fair value of the residence on January 1st of the assessment year.

(iv) This subsection (4)(b) does not apply to subsequent improvements to the property in the year in which the improvements are made. Subsequent improvements to the property must be added to the value otherwise determined under this subsection at their true and fair value in the year in which they are made.

WAC 458-16A-100 and 458-16A-135 provide additional information regarding the definitions of principal residence and residence, and the supporting documents required to demonstrate the property is owned and occupied as a claimant's principal residence.

[Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 26-03-074, s 458-16A-130, filed 1/20/26, effective 2/20/26. Statutory Authority: RCW 84.36.865. WSR 24-03-003, § 458-16A-130, filed 1/3/24, effective 2/3/24. Statutory Authority: RCW 84.36.389 and 84.36.865. WSR 20-24-066, § 458-16A-130, filed 11/24/20, effective 12/25/20. Statutory Authority: RCW 84.36.865. WSR 20-04-017, § 458-16A-130, filed 1/24/20, effective 2/24/20; WSR 18-24-108, § 458-16A-130, filed 12/4/18, effective 1/4/19. Statutory Authority: RCW 84.36.383, 84.36.389, and 84.36.865. WSR 08-16-078, § 458-16A-130, filed 7/31/08, effective 8/31/08; WSR 03-09-002, § 458-16A-130, filed 4/2/03, effective 5/3/03.]