

WSR 24-03-003

PERMANENT RULES

DEPARTMENT OF REVENUE

[Filed January 3, 2024, 3:50 p.m., effective February 3, 2024]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The department is amending these rules to incorporate SHB 1438 (2021), which allows certain common health care-related expenses to be deducted in determining exemption eligibility, and SHB 1355 (2023), which updates the income thresholds used in determining exemption eligibility. This rule is also being updated to remove outdated information regarding federal income tax filing forms. Updating these rules will provide accurate exemption requirements for applicants and individuals currently receiving the exemption.

Citation of Rules Affected by this Order: Amending WAC 458-16A-100 Senior citizen, disabled person, and disabled veteran exemption—Definitions, 458-16A-120 Senior citizen, disabled person, and disabled veteran exemption—Determining combined disposable income, 458-16A-130 Senior citizen, disabled person, and disabled veteran exemption—Qualifications for exemption, and 458-16A-135 Senior citizen, disabled person, and disabled veteran exemption—Application procedures.

Statutory Authority for Adoption: RCW 84.36.865.

Adopted under notice filed as WSR 23-22-069 on October 25, 2023.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 2, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 4, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 4, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: January 3, 2024.

Atif Aziz
Rules Coordinator

OTS-5042.1

AMENDATORY SECTION (Amending WSR 20-24-066, filed 11/24/20, effective 12/25/20)

WAC 458-16A-100 Senior citizen, (~~disabled person, and disabled veteran~~) persons with disabilities, and veterans with disabilities exemption—Definitions. (1) Introduction. This rule contains definitions of the terms used for the senior citizen, (~~disabled person, and disabled veteran~~) persons with disabilities, and veterans with disa-

bilities property tax exemption described in RCW 84.36.381 through 84.36.389.

(2) **Annuity.** "Annuity" means a series of long-term periodic payments, under a contract or agreement. It does not include payments for the care of dependent children. For purposes of this ~~((subsection))~~ rule, "long-term" means a period of more than one full year from the annuity starting date.

Annuity distributions must be included in "disposable income," as that term is defined in subsection ~~((13))~~ (12) of this rule, regardless of whether the distributions are taxable under federal law. A one-time, lump sum, total distribution is not an "annuity" for purposes of this rule, and only the taxable portion that would be included in federal adjusted gross income should be included in disposable income.

(3) **Assessment year.** "Assessment year" means the year the assessor lists and values the principal residence for property taxes. The assessment year is the calendar year prior to the year the taxes are due and payable. The assessment year is the year before the claimant receives the reduction in their property taxes because of the senior citizen, ~~((disabled person, and disabled veteran))~~ persons with disabilities, and veterans with disabilities exemption.

(4) **Capital gain.** "Capital gain" means the amount the seller receives for property, other than inventory, over that seller's adjusted basis in the property. The seller's initial basis in the property is the property's cost plus taxes, freight charges, and installation fees. In determining the capital gain, the seller's costs of transferring the property to a new owner are also added onto the adjusted basis of the property. If the property is acquired in some other manner than by purchase, the seller's initial basis in the property is determined by the way the seller received the property (e.g., property exchange, payment for services, gift, or inheritance). The seller increases and decreases the initial basis of the property for events occurring between the time the property is acquired and when it is sold (e.g., increased by the cost of improvements made later to the property).

(5) **Claimant.** "Claimant" means a person claiming the senior citizen, ~~((disabled person, and disabled veteran))~~ persons with disabilities, and veterans with disabilities exemption by filing an application with the assessor in the county where the property is located.

(6) **Combined disposable income.** "Combined disposable income" means the annual disposable income of the claimant, the claimant's spouse or domestic partner, and any cotenant occupying the residence for the assessment year, reduced by amounts paid by the claimant or the claimant's spouse or domestic partner for their:

- (a) Legally prescribed drugs;
- (b) Home health care as defined in subsection (18) of this rule;
- (c) Nursing home, boarding home, assisted living facility, or adult family home expenses; ~~((and))~~
- (d) Health care insurance premiums for medicare under Title XVIII of the Social Security Act;
- (e) Costs related to medicare supplemental policies as defined in Title 42 U.S.C. Sec. 1395ss;
- (f) Durable medical equipment, mobility enhancing equipment, medically prescribed oxygen, and prosthetic devices as defined in RCW 82.08.0283 (see also WAC 458-20-18801);
- (g) Long-term care insurance as defined in RCW 48.84.020;
- (h) Cost-sharing amounts as defined in RCW 48.43.005;

- (i) Nebulizers as defined in RCW 82.08.803;
- (j) Medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, or used in the treatment of an individual by a person licensed under chapter 18.36A RCW;
- (k) Ostomic items as defined in RCW 82.08.804;
- (l) Insulin for human use;
- (m) Kidney dialysis devices; and
- (n) Disposable devices used to deliver drugs for human use, as defined in RCW 82.08.935.

Disposable income is not reduced by (~~these~~) any of the amounts in this subsection (6) if payments are reimbursed by insurance or a government program (e.g., medicare or medicaid). When the application is made, the combined disposable income is calculated for the assessment year.

(7) **Cotenant.** "Cotenant" means a person who resides with the claimant and who has an ownership interest in the residence.

(8) **County median household income.** "County median household income" means the median household income estimates for the state of Washington by county of the legal address of the principal place of residence, as published by the office of financial management.

(9) **Department.** "Department" means the state department of revenue.

(10) **Depreciation.** "Depreciation" means the annual deduction allowed to recover the cost of business or investment property having a useful life of more than one year. In limited circumstances, this cost, or a part of this cost, may be taken as a section 179 expense on the federal income tax return in the year business property is purchased.

(11) **Disability.** "Disability" means the inability 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 (~~twelve~~) 12 months. RCW 84.36.383; 42 U.S.C. Sec. 423 (d) (1) (A).

(12) (~~(Disabled veteran.~~ "Disabled veteran" means 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:

~~(a) A combined service-connected evaluation rating of eighty percent or higher; or~~

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

~~(13))~~ **Disposable income.** "Disposable income" means the adjusted gross income as defined in the Federal Internal Revenue Code of 2001, and as amended after that date, plus all (~~the other~~) items described below to the extent they are not included in or have been deducted from adjusted gross income:

(a) Capital gains, other than gain excluded from the sale of a principal residence that is reinvested prior to the sale or within the same calendar year in a different principal residence;

(b) Amounts deducted for loss;

(c) Amounts deducted for depreciation;

(d) Pension and annuity receipts;

(e) Military pay and benefits other than attendant-care and medical-aid payments. Attendant-care and medical-aid payments are any payments for medical care, home health care, health insurance coverage, hospital benefits, or nursing home benefits provided by the military;

(f) Veterans benefits other than:

(i) Attendant-care payments and medical-aid payments, defined as any payments for medical care, home health care, health insurance coverage, hospital benefits, or nursing home benefits provided by the VA;

(ii) Disability compensation, defined as payments made by the VA to a veteran because of a service-connected disability; and

(iii) Dependency and indemnity compensation, defined as payments made by the VA to a surviving spouse, child, or parent because of a service-connected death;

(g) Federal Social Security Act and railroad retirement benefits;

(h) Dividend receipts; and

(i) Interest received on state and municipal bonds.

~~((14))~~ **(13) Domestic partner.** "Domestic partner" means a person registered under chapter 26.60 RCW or a partner in a legal union of two persons, other than a marriage, that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under chapter 26.60 RCW.

~~((15))~~ **(14) Domestic partnership.** "Domestic partnership" means a partnership registered under chapter 26.60 RCW or a legal union of two persons, other than a marriage, that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under chapter 26.60 RCW.

~~((16))~~ **(15) Excess levies.** "Excess levies" has the same meaning as provided in WAC 458-19-005 for "excess property tax levy."

~~((17))~~ **(16) Excluded military pay or benefits.** "Excluded military pay or benefits" means military pay or benefits excluded from a person's federal gross income, other than those amounts excluded from that person's federal gross income for attendant-care and medical-aid payments. Members of the armed forces receive many different types of pay and allowances. Some payments or allowances are included in their gross income for federal income tax purposes while others are excluded. Excluded military pay or benefits include:

(a) Compensation for active service while in a combat zone or a qualified hazardous duty area;

(b) Death allowances for burial services, gratuity payment to a survivor, or travel of dependents to the burial site;

(c) Moving allowances;

(d) Travel allowances;

(e) Uniform allowances;

(f) Group term life insurance payments made by the military on behalf of the claimant, the claimant's spouse or domestic partner, or the cotenant; and

(g) Survivor and retirement protection plan premiums paid by the military on behalf of the claimant, the claimant's spouse or domestic partner, or the cotenant.

~~((18))~~ **(17) Family dwelling unit.** "Family dwelling unit" means the dwelling unit occupied by a single person, any number of related persons, or a group not exceeding a total of eight related and unrelated nontransient persons living as a single noncommercial housekeeping unit. The term does not include a boarding or rooming house.

~~((19))~~ **(18) Home health care.** "Home health care" means the treatment or care of either the claimant or the claimant's spouse or domestic partner received in the home. It must be similar to the type of care provided in the normal course of treatment or care in a nursing home, although the person providing the home health care services need not be specially licensed. The treatment and care must meet at least one of the following criteria. It must be for:

- (a) Medical treatment or care received in the home;
- (b) Physical therapy received in the home;
- (c) Food, oxygen, lawful substances taken internally or applied externally, necessary medical supplies, or special needs furniture or equipment (such as wheel chairs, hospital beds, or therapy equipment), brought into the home as part of a necessary or appropriate in-home service that is being rendered (such as a meals on wheels type program); or
- (d) Attendant care to assist the claimant, or the claimant's spouse or domestic partner, with household tasks, and such personal care tasks as meal preparation, eating, dressing, personal hygiene, specialized body care, transfer, positioning, ambulation, bathing, toileting, self-medication a person provides for himself or herself, or such other tasks as may be necessary to maintain a person in their own home, but does not include improvements or repair of the home itself.

~~((20))~~ (19) **Income threshold 1.** "Income threshold 1" means:

- (a) For taxes levied for collection in calendar years prior to 2020, a combined disposable income equal to ~~((thirty thousand dollars))~~ \$30,000; ((and))
- (b) For taxes levied for collection in calendar ~~((year 2020 and thereafter))~~ years 2020 through 2023, a combined disposable income equal to the greater of "income threshold 1" for the previous year or ~~((forty five))~~ 45 percent of the county median household income ~~((, adjusted every five years beginning August 1, 2019, as provided in RCW 84.36.385(8)))~~; and
- (c) For taxes levied for collection in calendar year 2024 and thereafter, a combined disposable income equal to the greater of "income threshold 1" for the previous year or 50 percent of the county median household income, adjusted every three years beginning August 1, 2023, and by March 1st every third year thereafter, as provided in RCW 84.36.385(8).

~~((21))~~ (20) **Income threshold 2.** "Income threshold 2" means:

- (a) For taxes levied for collection in calendar years prior to 2020, a combined disposable income equal to ~~((thirty five thousand dollars))~~ \$35,000; ((and))
- (b) For taxes levied for collection in calendar ~~((year 2020 and thereafter))~~ years 2020 through 2023, a combined disposable income equal to the greater of "income threshold 2" for the previous year or ~~((fifty five))~~ 55 percent of the county median household income ~~((, adjusted every five years beginning August 1, 2019, as provided in RCW 84.36.385(8)))~~; and
- (c) For taxes levied for collection in calendar year 2024 and thereafter, a combined disposable income equal to the greater of "income threshold 2" for the previous year or 60 percent of the county median household income, adjusted every three years beginning August 1, 2023, and by March 1st every third year thereafter, as provided in RCW 84.36.385(8).

~~((22))~~ (21) **Income threshold 3.** "Income threshold 3" means:

- (a) For taxes levied for collection in calendar years prior to 2020, a combined disposable income equal to ~~((forty thousand dollars))~~ \$40,000; ((and))
- (b) For taxes levied for collection in calendar ~~((year 2020 and thereafter))~~ years 2020 through 2023, a combined disposable income equal to the greater of "income threshold 3" for the previous year or ~~((sixty five))~~ 65 percent of the county median household income ~~((, adjusted every five years beginning August 1, 2019, as provided in RCW 84.36.385(8)))~~; and

~~justed every five years beginning August 1, 2019, as provided in RCW 84.36.385(8)); and~~

(c) For taxes levied for collection in calendar year 2024 and thereafter, a combined disposable income equal to the greater of "income threshold 3" for the previous year or 70 percent of the county median household income, adjusted every three years beginning August 1, 2023, and by March 1st every third year thereafter, as provided in RCW 84.36.385(8).

~~((23))~~ (22) Lease for life. "Lease for life" means a lease that terminates upon the death of the lessee.

~~((24))~~ (23) Legally prescribed drugs. "Legally prescribed drugs" means drugs supplied by prescription of a medical practitioner authorized to issue prescriptions by the laws of this state or another jurisdiction.

~~((25))~~ (24) Life estate. "Life estate" means an estate whose duration is limited to the life of the party holding it or of some other person.

(a) Reservation of a life estate upon a principal residence placed in trust or transferred to another is a life estate.

(b) Beneficial interest in a trust is considered a life estate for the settlor of a revocable or irrevocable trust who grants to themselves the beneficial interest directly in their principal residence, or the part of the trust containing their personal residence, for at least the period of their life.

(c) Beneficial interest in an irrevocable trust is considered a life estate, or a lease for life, for the beneficiary who is granted the beneficial interest representing their principal residence held in an irrevocable trust, if the beneficial interest is granted under the trust instrument for a period that is not less than the beneficiary's life.

~~((26))~~ (25) Owned. "Owned" includes "contract purchase" as well as "in fee," a "life estate," and any "lease for life." A residence owned by a marital community or domestic partnership or owned by cotenants is deemed to be owned by each spouse or each domestic partner or each cotenant.

~~((27))~~ (26) Ownership by a marital community or domestic partnership. "Ownership by a marital community or domestic partnership" means property owned in common by both spouses or domestic partners. Property held in separate ownership by one spouse or domestic partner is not owned by the marital community or domestic partnership. The person claiming the exemption must own the property for which the exemption is claimed. For example, a person qualifying for the exemption by virtue of age, disability, or disabled veteran status may not claim this exemption on a residence owned by the person's spouse or domestic partner as a separate estate outside the marital community or domestic partnership unless the claimant has a life estate in that separate estate.

~~((28))~~ (27) Pension. "Pension" generally means an arrangement providing for payments, not wages, to a person or to that person's family, who has fulfilled certain conditions of service or reached a certain age. Pension distributions may be triggered by separation from service, attainment of a specific age, disability, death, or other events. A pension may allow payment of all or a part of the entire pension benefit, in lieu of regular periodic payments.

~~((29))~~ (28) Principal residence. "Principal residence" means the claimant owns and occupies the residence as their principal or

main residence. It does not include a residence used merely as a vacation home. For purposes of this exemption:

(a) Principal or main residence means the claimant occupies the residence for more than six months each calendar year.

(b) Confinement of the claimant to a hospital, nursing home, assisted living facility, adult family home, or home of a relative for the purpose of long-term care, does not disqualify the claim for exemption if:

(i) The residence is temporarily unoccupied;

(ii) The residence is occupied by the claimant's spouse or domestic partner or a person financially dependent on the claimant for support;

(iii) The residence is occupied by a caretaker who is not paid for watching the house;

(iv) The residence is rented for the purpose of paying nursing home, hospital, boarding home, or adult family home costs.

(c) For purposes of this subsection, "relative" means any individual related to the claimant by blood, marriage, or adoption.

~~((30))~~ **(29) Regular gainful employment.** "Regular gainful employment" means consistent or habitual labor or service which results in an increase in wealth or earnings.

~~((31))~~ **(30) Regular property tax levies.** "Regular property tax levies" has the same meaning as provided in WAC 458-19-005 for "regular property tax levy."

~~((32))~~ **(31) Replacement residence.** "Replacement residence" means a residence that qualifies for the senior citizen, ~~((disabled person, and disabled veteran))~~ persons with disabilities, and veterans with disabilities exemption and replaces the prior residence of the person receiving the exemption.

~~((33))~~ **(32) Residence.** "Residence" means a single-family dwelling unit whether the unit is separate or part of a multiunit dwelling and includes up to one acre of the parcel of land on which the dwelling stands. A residence also includes any additional property up to a total of five acres that comprises the residential parcel if land use regulations require this larger parcel size. The term also includes:

(a) A share ownership in a cooperative housing association, corporation, or partnership if the person claiming exemption can establish that his or her share represents the specific unit or portion of the structure in which they reside.

(b) A single-family dwelling situated on leased lands and on lands the fee of which is vested in the United States, any instrumentality thereof including an Indian tribe, the state of Washington, or its political subdivisions.

(c) A mobile home which has substantially lost its identity as a mobile unit by being fixed in location on land owned or rented by the owner of the mobile home and placed on a foundation, posts, or blocks with fixed pipe connections for sewer, water or other utilities even though it may be listed and assessed by the county assessor as personal property. It includes up to one acre of the parcel of land on which the mobile home is located if both the land and mobile home are owned by the same qualified claimant. It also includes any additional property up to a total of five acres that comprises the residential parcel if land use regulations require this larger parcel size.

~~((34))~~ **(33) Veteran.** "Veteran" means a veteran of the armed forces of the United States.

(34) Veteran with disabilities. "Veteran with disabilities" means a veteran of the armed forces of the United States entitled to and re-

ceiving compensation from the United States Department of Veterans Affairs (VA) at:

(a) A combined service-connected evaluation rating of 80 percent or higher; or

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

(35) **Veterans benefits.** "Veterans benefits" means benefits paid or provided under any law, regulation, or administrative practice administered by the VA. Federal law excludes from gross income any veterans' benefits payments, paid under any law, regulation, or administrative practice administered by the VA.

AMENDATORY SECTION (Amending WSR 20-04-017, filed 1/24/20, effective 2/24/20)

WAC 458-16A-120 Senior citizen, ((disabled person, and disabled veteran)) persons with disabilities, and veterans with disabilities exemption—Determining combined disposable income. (1) **Introduction.** This rule describes how an assessor determines a claimant's combined disposable income.

Examples. This rule includes examples that identify a set of facts and then state a conclusion. These examples should only be used as a general guide.

(2) **Begin by calculating disposable income.** The assessor must determine the disposable income of the claimant, the claimant's spouse or domestic partner, and all cotenants. The assessor begins by obtaining a copy of the claimant's, the claimant's spouse's or domestic partner's, and any cotenant's federal income tax return. If the federal income tax returns are not provided, the assessor must calculate disposable income from copies of other income documents (e.g., W-2, 1099-R, 1099-INT, etc.). If the federal income tax returns are provided, adjusted gross income is found on the front pages of Form 1040 (~~Form 1040A, and Form 1040EZ~~). Even if a federal income tax return is provided, an assessor may request copies of supporting documents to verify the amount of the claimant's combined disposable income.

(a) **Absent spouse or domestic partner.** When a spouse or domestic partner has been absent for over a year and the claimant has no knowledge of their spouse's or domestic partner's location or whether the spouse or domestic partner has income, and the claimant has not received anything of value from the spouse or domestic partner or anyone acting on behalf of the spouse or domestic partner, the disposable income of the spouse or domestic partner is deemed to be zero for purposes of this exemption. The claimant must submit with the application a dated statement signed under the penalty of perjury. This statement must state that more than one year prior to filing the exemption application:

(i) The claimant's spouse or domestic partner was absent;

(ii) The claimant has not and does not know the location of their spouse or domestic partner;

(iii) The claimant has not had any communication with their spouse or domestic partner; and

(iv) The claimant has not received anything of value from their spouse or domestic partner or anyone acting on behalf of their spouse or domestic partner.

The statement must also agree to provide this income information if the claimant is able to obtain it anytime within the next six years.

(b) (~~Form 1040EZ~~. Generally, the adjusted gross income on Form 1040EZ represents the disposable income for the person or couple filing the return. However, the adjusted gross income as shown on the Form 1040EZ must be increased by the following amounts which are excluded from adjusted gross income.

(i) ~~Gain from a sold residence~~. Under certain circumstances, gain from a sold residence is added onto the seller's adjusted gross income. Since excluded capital gains from the sale of a principal residence are generally not reported on the federal income tax return, the exemption application asks if a home has been sold, whether the sale proceeds were reinvested in a new principal residence, and the amount of capital gain from the sale.

(A) If the proceeds were reinvested in a new principal residence, the excluded capital gain reinvested in the new residence is ignored. The adjusted gross income on Form 1040EZ is not adjusted for any part of the excluded capital gain reinvested in the new residence.

(B) If the proceeds were not reinvested in a new principal residence or if only a part of the proceeds were reinvested in a new principal residence, the amount of excluded capital gain that is not reinvested in a new principal residence is added onto the seller's adjusted gross income to determine the seller's disposable income. The assessor may accept the excluded capital gain amount claimed on the application or request a copy of documents demonstrating the seller's basis in the property and the capital gain earned on the sale.

(ii) ~~Interest received on state and municipal bonds~~. Interest received on state or local government bonds is generally not subject to federal income tax. This tax exempt interest is marked "TEI" and reported on the Form 1040EZ. The tax-exempt interest is added to the bond owner's federal adjusted gross income to determine the bond owner's disposable income.

(A) The assessor may ask a claimant whether the claimant, the claimant's spouse or domestic partner, or any cotenants own state or local government bonds. If the federal income tax return does not show the tax exempt amount from the bond, the assessor may ask to see a copy of the Form 1099-INT (Interest Income).

(B) If the claimant does not have Form 1099-INT, the bond issuer should be able to determine whether the interest is taxable. The bond issuer should also provide the owner with a periodic, or year-end, statement showing the tax treatment of the bond. If the recipient of the bond income invested in the bond through a trust, a fund, or other organization, that organization should provide the recipient with this information.

(iii) ~~Excluded military pay and benefits~~. Military pay and benefits excluded from federal adjusted gross income, other than attendant-care and medical-aid payments, are added to the adjusted gross income of the military personnel receiving the excluded military pay or benefits to determine that person's disposable income. Excluded military pay and benefits are discussed in more detail in (d) (vii) of this subsection.

(iv) ~~Veterans benefits~~. Veterans benefits are added to the veteran's adjusted gross income to determine the veteran's disposable income. The following veterans benefits are not added to a veteran's adjusted gross income:

~~(A) Attendant care payments and medical aid payments, defined as any payments for medical care, home health care, health insurance coverage, hospital benefits, or nursing home benefits provided by the Department of Veterans Affairs (VA);~~

~~(B) Disability compensation, defined as payments made by the VA to a veteran because of a service-connected disability; and~~

~~(C) Dependency and indemnity compensation, defined as payments made by the VA to a surviving spouse, child, or parent.~~

~~Veterans benefits are discussed in more detail in (d) (viii) of this subsection.~~

~~(c) **Form 1040A.** If a claimant provides a copy of a Form 1040A, the assessor calculates the disposable income for the person or couple filing the return by adding to the adjusted gross income, the items described below, but only to the extent these items were excluded or deducted from gross income.~~

~~(i) **Gain from a sold residence.** The excluded capital gain from selling a principal residence to the extent the excluded gain was not reinvested in a new principal residence is added onto the seller's adjusted gross income to determine the seller's disposable income. Refer to (b) (i) of this subsection for a more complete discussion of excluded capital gain on a sold residence.~~

~~(ii) **Interest received on state and municipal bonds.** Interest received on state or local government bonds is generally not subject to federal income tax. The tax-exempt interest reported on Form 1040A is added back to the bond owner's adjusted gross income to determine the bond owner's disposable income. Refer to (b) (ii) of this subsection for a more complete discussion of tax-exempt interest on state and municipal bonds.~~

~~(iii) **Pension and annuity receipts.** Any nontaxable pension and annuity amounts are added onto the recipient's adjusted gross income amount to determine the recipient's disposable income. The nontaxable pension and annuity amounts are the difference between the total pension and annuity amounts reported and the taxable amounts reported. If the total amount of the pension and annuity amounts are not reported on the return, the assessor may use a copy of the Form 1099-R (Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc.) issued to the claimant, the claimant's spouse or domestic partner, or the cotenant to determine the total amount of pension and annuity amounts received. Pension and annuity amounts do not include distributions made from a traditional individual retirement account.~~

~~(iv) **Federal Social Security Act and railroad retirement benefits.** Any nontaxable Social Security benefit or equivalent railroad retirement amount reported on the Form 1040A federal income tax return is added to the adjusted gross income of the person receiving these benefits to determine that person's disposable income. The nontaxable Social Security benefit or equivalent railroad retirement amount is the difference between the total Social Security benefits or equivalent railroad retirement amounts reported and the taxable amount reported. If the total amount of the Social Security benefit or equivalent railroad retirement amount is not reported on the federal income tax return, the assessor may use a copy of the Form SSA-1099 or Form RRB-1099 issued to the claimant, the claimant's spouse or domestic partner, or the cotenant, to determine the Social Security benefits or the railroad retirement benefits received.~~

~~(v) **Excluded military pay and benefits.** Military pay and benefits excluded from federal adjusted gross income, other than attendant care~~

and medical aid payments, are added to the adjusted gross income of the military personnel receiving the excluded military pay or benefits to determine that person's disposable income. Excluded military pay and benefits are discussed in (d) (vii) of this subsection.

~~(vi) **Veterans benefits.** Veterans benefits are added to the veteran's adjusted gross income to determine the veteran's disposable income. The following veterans benefits are not added to a veteran's adjusted gross income:~~

~~(A) Attendant care payments and medical aid payments, defined as any payments for medical care, home health care, health insurance coverage, hospital benefits, or nursing home benefits provided by the VA;~~

~~(B) Disability compensation, defined as payments made by the VA to a veteran because of a service-connected disability; and~~

~~(C) Dependency and indemnity compensation, defined as payments made by the VA to a surviving spouse, child, or parent.~~

~~Veterans benefits are discussed in (d) (viii) of this subsection.~~

~~(d)) **Form 1040.** If a claimant provides a copy of the Form 1040, the assessor will calculate the disposable income for the person or couple filing the return by adding to the reported adjusted gross income all of the items described below, but only to the extent these items were excluded or deducted from gross income.~~

~~(i) **Gain from a sold residence.** The excluded capital gain from selling a principal residence to the extent that excluded gain was not reinvested in a new principal residence is added onto the seller's adjusted gross income to determine the seller's disposable income.~~

~~(ii) **Capital gains.** If the federal income tax return shows capital gains or losses, the assessor examines a copy of the schedule or forms, if any, that were filed with the return. The assessor should examine the capital gains reported on Schedule D (Capital Gains and Losses) and on Forms 4684 (Casualty and Thefts), 4797 (Sales of Business Property), and 8829 (Business Use of Home).~~

The assessor adds to adjusted gross income, any amount of capital gains reduced by losses or deductions on the schedules or forms listed above to determine the total capital gains. The amount of capital gains that were excluded or deducted from adjusted gross income must be added to the adjusted gross income to determine disposable income.

~~(iii) **Losses.** Amounts deducted for losses are added to adjusted gross income to determine disposable income. Most losses are reported on the federal income tax return in parentheses to reflect that these loss amounts are to be deducted. Net losses are reported on Form 1040 as business losses, capital losses, other losses, rental or partnership-type losses, or as farm losses. The assessor adds these amounts to the adjusted gross income. Additionally, the assessor adds to adjusted gross income the amount reported as a penalty on early withdrawal of savings because the amount represents a loss under section 62 of the Internal Revenue Code.~~

~~(A) The claimant only reports the net amount of these losses on the front page of the Form 1040 federal income tax return. A loss may be used on other schedules or forms to reduce income before being transferred to the front page of the tax return to calculate adjusted gross income. The assessor adds to the adjusted gross income the amount of losses used to reduce income on these other schedules and forms. The amount of losses that were used to reduce adjusted gross income must be added to the adjusted gross income to determine disposable income.~~

For example, a claimant reports a ~~((five thousand dollar))~~ \$5,000 capital loss on the front page of the 1040. On the Schedule D, the

claimant reports (~~two thousand dollars~~) \$2,000 in long-term capital gains from the sale of Company X stock and (~~seven thousand dollars~~) \$7,000 in long-term capital losses from the sale of an interest in the Y limited partnership. The assessor has already added the (~~five thousand dollar~~) \$5,000 loss from the net capital loss reported on the front page of the tax return. The assessor would add onto adjusted gross income only the additional (~~two thousand dollars~~) \$2,000 in losses from the Schedule D that was used to offset the capital gain the claimant earned from the sale of Company X stock.

(B) The assessor should examine losses reported on Schedules C (Profit or Loss from Business), D (Capital Gains and Losses), E (Supplemental Income and Loss), F (Profit or Loss from Farming), and K-1 (Shareholder's Share of Income, Credits, Deductions, etc.), and on Forms 4684 (Casualty and Thefts), 4797 (Sales of Business Property), 8582 (Passive Activity Loss Limitations), and 8829 (Business Use of Home) to determine the total amount of losses claimed.

(iv) **Depreciation.** Amounts deducted for the depreciation, depletion, or amortization of an asset's costs are added onto the adjusted gross income to determine the disposable income. This includes section 179 expenses, as an expense in lieu of depreciation. Amounts deducted for depreciation, depletion, amortization, and 179 expenses may be found on Schedules C, C-EZ, E, F, K and K-1, and on Form 4835 (Farm Rental Income and Expenses). If the schedule or form results in a loss transferred to the front of the Form 1040 federal income tax return, the depreciation deduction to the extent it is represented in that loss amount should not be added onto the adjusted gross income, as this would result in it being added back twice;

(v) **Pension and annuity receipts.** Any nontaxable pension and annuity amounts are added to the recipient's adjusted gross income amount to determine the recipient's disposable income. The nontaxable pension and annuity amounts are the difference between the total pension and annuity amounts reported and the taxable amounts reported. If the total pension and annuity amounts are not reported on the tax return, the assessor may use a copy of the Form 1099-R (Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc.) issued to the claimant, the claimant's spouse or domestic partner, or the cotenant to determine the total pension and annuity amounts received. Pension and annuity amounts do not include distributions made from a traditional individual retirement account.

(vi) **Federal Social Security Act and railroad retirement benefits.** Any nontaxable Social Security benefit or equivalent railroad retirement amount reported on the Form 1040 federal income tax return is added to the adjusted gross income of the person receiving these benefits to determine that person's disposable income. The nontaxable Social Security benefit or equivalent railroad retirement amount is the difference between the total Social Security benefits or equivalent railroad retirement amounts reported and the taxable amounts reported. If the total amount of the Social Security benefit or equivalent railroad retirement amount is not reported on the tax return, the assessor may use a copy of the Form SSA-1099 or Form RRB-1099 issued to the claimant, the claimant's spouse or domestic partner, or the cotenant to determine the Social Security benefits or the railroad retirement benefits received.

(vii) **Excluded military pay and benefits.** Military pay and benefits excluded from federal adjusted gross income, other than military pay (~~or~~) and benefits for attendant care or medical aid, are added

to the adjusted gross income of the military personnel receiving the military pay or benefits to determine that person's disposable income. Excluded military pay and benefits are not reported on the Form 1040. Excluded military pay and benefits such as pay earned in a combat zone, basic allowance for subsistence (BAS), basic allowance for housing (BAH), and certain in-kind allowances, are reported on Form W-2. The claimant should disclose when excluded military pay and benefits were received and provide copies of the Form W-2 or other documents that verify the amounts received.

(viii) **Veterans benefits.** Federal law excludes from gross income any veterans benefit payments paid under any law, regulation, or administrative practice administered by the VA. The following veterans benefits are not added to a veteran's adjusted gross income:

(A) Attendant-care payments and medical-aid payments, defined as any payments for medical care, home health care, health insurance coverage, hospital benefits, or nursing home benefits provided by the VA;

(B) Disability compensation, defined as payments made by the VA to a veteran because of a service-connected disability; and

(C) Dependency and indemnity compensation, defined as payments made by the VA to a surviving spouse, child, or parent.

VA benefits are not reported on the Form 1040. The claimant should disclose when excluded veterans benefits were received and provide copies of documents that verify the amount received.

(ix) **Dividend receipts.** Exempt-interest dividends received from a regulated investment company (mutual fund) are reported on the tax-exempt interest line of the Form 1040 and added to the recipient's adjusted gross income to determine that recipient's disposable income.

(A) The assessor may ask a claimant whether the claimant, the claimant's spouse or domestic partner, or any cotenants have received exempt-interest dividends.

(B) Generally, the mutual fund owner will receive a notice from the mutual fund telling them the amount of the exempt-interest dividends received. These exempt-interest dividends are not shown on Form 1099-DIV or Form 1099-INT. Although exempt-interest dividends are not taxable, the owner must report them on the Form 1040 tax return if they have to file; and

(x) **Interest received on state and municipal bonds.** Interest received on state or local government bonds is generally not subject to federal income tax. The tax-exempt interest is reported on the Form 1040 and added to the bond owner's adjusted gross income to determine the bond owner's disposable income.

(3) **Calculate the combined disposable income.** Once the assessor has calculated the disposable income for the claimant, the claimant's spouse or domestic partner, and any cotenants, the assessor will add the disposable incomes together. To calculate the combined disposable income for the claimant, the assessor will subtract from the sum of the disposable income, the amounts paid by the claimant or the claimant's spouse or domestic partner during that calendar year for

(~~their:~~

~~(a) Legally prescribed drugs;~~

~~(b) Home health care;~~

~~(c) Nursing home, assisted living facility, or adult family home expenses; and~~

~~(d) Health care insurance premiums for medicare under Title XVIII of the Social Security Act)) the deductible amounts listed in WAC 458-16A-100(6).~~

AMENDATORY SECTION (Amending WSR 20-24-066, filed 11/24/20, effective 12/25/20)

WAC 458-16A-130 Senior citizen, (~~disabled person, and disabled veteran~~) persons with disabilities, and veterans with disabilities exemption—Qualifications for exemption. (1) **Introduction.** This rule (~~describes~~) provides the qualifications a claimant must meet for the (~~senior citizen, disabled person, and disabled veteran property tax~~) 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 (~~sixty-one~~) 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 (~~disabled~~) 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 (~~twelve~~) 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 (~~eighty~~) 80 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 (~~fifty-seven~~) 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, (~~2019~~) 2023, and by March 1st every (~~fifth~~) 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 (~~fifty thousand dollars or thirty five~~) \$50,000 or 35 percent of the valuation of their residence, but not to exceed (~~seventy thousand dollars~~) \$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 (~~sixty thousand dollars or sixty~~) \$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 (~~(. The claimant)~~) 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.

AMENDATORY SECTION (Amending WSR 20-04-017, filed 1/24/20, effective 2/24/20)

WAC 458-16A-135 Senior citizen, (~~disabled person, and disabled veteran~~) persons with disabilities, and veterans with disabilities exemption—Application procedures. (1) **Introduction.** This rule explains (~~when and how a senior citizen, disabled person, or disabled veteran may apply for a property tax exemption on their principal residence~~) the application procedures for the exemption on a principal residence as described in RCW 84.36.385.

(2) **When to apply for the exemption.** A claimant may first apply for the exemption in the calendar year that they meet the age, disability, or (~~disabled veteran~~) veterans with disabilities requirements for exemption of taxes due in the following year. If the claimant does not apply when they meet the age, disability, or (~~disabled veteran~~) veterans with disabilities requirements, then they may apply for the exemption in any subsequent year. The exemption may be claimed on their principal residence for previous years by applying with separate applications for each year. However, refunds based on an exemp-

tion made in previous years may be refunded for only up to three years after the taxes were due as provided in RCW 84.69.030.

(3) **Application required.** A claimant must submit to the county assessor's office an application for exemption with supporting documents. When an application is first made, if the claimant applies for more than one year, an application must be made for each year the claimant seeks the exemption.

(4) **Where to obtain the application form.** A claimant may obtain the application form and the list of required supporting documents from the county assessor's office where their principal residence is located.

(5) **How to apply for the exemption.** Applications and supporting documents are filed in person (~~(in person)~~), by mail (~~(by mail)~~), or by electronic means to the county assessor's office where the principal residence is located. (~~(As an alternative, the county assessor may provide an electronic means for filing if authorized by the department.)~~)

(a) **The application form.** The county assessor (~~(designs)~~) may create the paper or electronic application (~~(form or adapts a master paper form obtained from)~~) or may adapt the application created by the department. (~~(The county is also authorized to design an electronic form for applying.)~~) The county must obtain approval of the final (~~(form)~~) application, paper or electronic, from the department before it may be distributed and used. The claimant must use the application form from the county where the principal residence is located and provide true and accurate information in the application. Additional information regarding approval of forms by the department can be found in WAC 458-12-035 Department approved forms.

(b) **Signatures.** The signature must certify that under penalty of perjury under the laws of Washington the application is true and correct. The application must be signed, dated, and state the place (city, county, or address) where it was signed. The application must be signed by:

- (i) The claimant;
- (ii) The claimant's designated agent;
- (iii) The legal guardian for the claimant (if applicable); or
- (iv) If the property is subject to a deed of trust, mortgage, or purchase contract requiring an accumulation of reserves to pay property taxes, the lien holder; and
- (v) If the claimant resides in a cooperative housing unit or portion of a cooperative structure representing the claimant's ownership share in that cooperative, the authorized agent of the cooperative must also sign the application.

(c) **Perjury statement.** The perjury statement certifying under the penalty of perjury that the application is true and correct must be placed on the application immediately above the line for the signature. Any person signing a false claim with the intent to defraud or evade the payment of any tax is guilty of perjury under chapter 9A.72 RCW. If a person receives an exemption based on erroneous information, the assessor assesses any unpaid taxes with interest for up to five years. If a person receives an exemption based on erroneous information, and the person either provided that information with the intent to defraud or intentionally failed to correct that information, the assessor will assess any unpaid taxes with interest for up to five years, and will assess the (~~(one hundred)~~) 100 percent penalty as provided in RCW 84.40.130.

(d) **Cooperative agreement to reduce rent.** A cooperative must also agree, in a statement attached to the application, to reduce amounts

owed by the claimant to the cooperative by the amount of the property tax exemption. The agreement must also state that when the exemption exceeds the amount owed to the cooperative, the cooperative must pay the claimant any amount of the tax exemption remaining after this offsetting reduction.

(e) **Supporting documents.** Unless the assessor determines that all or some of the supporting documents are not necessary, a claimant must present the documents listed in this subsection with their application. Except for affidavits, the assessor's office should not accept original documents from the claimant. If the assessor's office is presented with original documents, they must make copies or note the information provided in the documents on a separate sheet and return these original documents to the claimant. The claimant must submit the following documents with the application:

(i) If the county records do not reflect the claimant as the property owner, copies of any legal instruments demonstrating the claimant's interest held in the property;

(ii) Documents demonstrating that the property is the claimant's principal residence (i.e., copy of a driver's license and voter's registration card);

(iii) Copies of legal identification showing the claimant's age (i.e., copy of a driver's license or birth certificate);

(iv) If the claim is based on a disability, either:

(A) An affidavit from a licensed physician or certified physician's assistant (medical or osteopath doctor), a licensed or certified psychologist for disabling mental impairments, or a licensed podiatrist for disabling impairments of the foot, that states the claimant is unable to enter into regular gainful employment because of their disability and the expected term of the disability; or

(B) Copies of a written acknowledgment or decision by the Social Security Administration or Veterans Administration that the claimant is permanently disabled;

(v) If the claim is based upon the claimant's veteran status, copies of legal documents showing that the claimant is a veteran of the armed forces of the United States entitled to and receiving compensation from the United States Department of Veterans Affairs at a combined service-connected evaluation rating of (~~eighty~~) 80 percent or higher or at a total disability rating for a service-connected disability without regard to evaluation percent;

(vi) Copies of documents showing income earned or reported by the claimant, the claimant's spouse or domestic partner and any cotenants, even when the income is estimated (income information should be provided to the degree possible and then confirmed with supporting documents in the follow-up period), such proof must include to the extent it is relevant:

(A) If the claimant, the claimant's spouse or domestic partner, or any cotenants receive Social Security payments, a federal statement showing Social Security paid (generally, Form SSA-1099);

(B) If the claimant, the claimant's spouse or domestic partner, or any cotenants receive railroad retirement benefits, a federal statement showing railroad retirement benefits paid (generally, Forms RRC-1099 and RRC 1099-R);

(C) If the claimant, the claimant's spouse or domestic partner, or any cotenants file federal income tax returns, those returns with supporting forms, schedules, and, if specifically requested, worksheets for the deductions taken from gross income (generally, Form 1040 with its supporting forms and schedules);

(D) If the claimant or the claimant's spouse or domestic partner has been in a nursing home, assisted living facility, adult family home, or has been receiving in-home care in either their home or in the home of a relative for purposes of long-term care, copies of invoices (or an equivalent billing statement or payment statement) for nonreimbursed care or documentation to verify the claimant or claimant's spouse or domestic partner have been receiving care at the home of a relative;

(E) If the claimant indicates that the nonreimbursed prescription drug expenses for the claimant and the claimant's spouse or domestic partner for the period under review exceeds (~~five hundred dollars~~) \$500, copies of checks or other payment statements (i.e., pharmacy printout of payments for purchases) showing amounts paid for nonreimbursed prescription drug expenses;

(F) Copies of documents showing premiums paid if the claimant or the claimant's spouse or domestic partner pays health care insurance premiums for medicare under Title XVIII of the Social Security Act (i.e., 1099, or medicare plan policy declaration);

(G) If no federal returns were filed or received, the claimant must still provide copies of documents to demonstrate their income and the income of their spouse or domestic partner and any cotenants (i.e., federal income statements such as Form W-2 (wages), Form 1099-INT (interest), Form 1099-DIV (dividends), Form 1099-R (pension amounts), Form 1099-G (unemployment), or Form 1099-Misc. (contract income)). Even claimants who claim they have no federal income (or an inordinately small amount of federal income) must have income to maintain themselves and their residences. In these situations, the claimant must produce copies of documents demonstrating the source of the funds they are living on (i.e., checking account registers and bank statements) and the bills for maintaining the claimant and the residence (i.e., public assistance check stubs, utility invoices, cable TV invoices, check registers, bank statements, etc.); and

(vii) Any other copies of documents the assessor requires in their discretion for the claimant to produce in order to demonstrate the claimant qualifies for the exemption.

(f) Public disclosure of the application. The application (~~form~~) may not be disclosed. A copy of the application may be disclosed only if all income information on the (~~form~~) application is redacted so that it cannot be read. Except as required by law, no public disclosure may be made of the checklist of supporting documents or any supporting documents retained that concern the income of the claimant, the claimant's spouse or domestic partner, or any cotenant.