



A Dash of SALT

Property Tax Relief Available to Qualifying Seniors, Widows, Widowers and Disabled Persons

This month's state and local tax (SALT) column highlights property tax relief programs available to qualifying seniors, widows, widowers and disabled persons in Arizona.

Arizona allows limited property tax relief to qualifying seniors, widows, widowers, and disabled persons. Limitations apply, and application deadlines vary, as summarized below.

Property Tax Relief Available to Qualifying Widows, Widowers, and Disabled Persons.

Qualifying widows, widowers and disabled persons may apply for a limited property tax exemption that could result in property tax savings of as much as roughly \$300 per year. The exemption applies first to real estate and then to a mobile home or automobile if not exhausted by the value of the real estate.

To apply to a particular tax year, applications should be submitted by March 1, but those who miss that deadline may file a petition requesting the county board of supervisors to redeem the waiver of the exemption. However, no taxes that were due and payable before the petition was submitted may be refunded or abated.

Qualifications that Widows and Widowers Must Satisfy to Qualify for Relief

Widows and widowers must apply in person at the county assessor's office and demonstrate that:

- They and their spouse were Arizona residents at the time of their spouse's death, or that they were a widow or widower residing in Arizona prior to Jan. 1, 1969;
- They meet the assessed valuation limitation described below; and

- They meet strict income requirements.

The assessed valuation limitation is indexed to inflation. To qualify for relief in 2015, the total assessed valuation of all real property and mobile homes owned by an applicant in Arizona may not exceed \$25,306 (e.g., the total full cash value of all homes and mobile homes in Arizona, which are assessed at 10 percent of their value, may not exceed \$253,060).

The income requirements also are indexed to inflation. For 2015, the income requirement for widows and widowers is that their total income from all sources, *not* including social security or veteran's disability payments, may not exceed \$31,035, or \$37,231 if disabled children or children under 18 years of age reside in their household.

Qualifications that Disabled Persons Must Satisfy to Qualify for Relief

Disabled persons also must apply in person at the county assessor's office and demonstrate that:

- Their disability is total, permanent, and documented by a licensed physician on the appropriate form;
- They are an Arizona resident age 17 or over;
- They satisfy the assessed valuation limitation described above; and
- They satisfy the strict income requirements described above.



Property Tax Relief Available to Qualifying Seniors

Qualifying seniors may apply to have the value of their primary residence frozen for property tax purposes at the value in effect during the year when they applied for valuation protection. Because property values can have a profound impact on property tax bills, this program may prove valuable to qualifying seniors over time because property values generally increase over time.

Qualifications for the Senior Valuation Protection Program

To qualify for the senior valuation protection program, one must:

- Be age 65 or older when applying for the program;
- Be listed on the title of their primary residence for at least two years prior to applying for the program; and
- Meet strict income requirements.

The income requirements are pegged to a percentage of the supplemental security income benefit rate established by section 1611(b)(1) of the social security act. So, for 2015, the average income over the last three years for those applying for the valuation protection program may not exceed \$35,184 for properties owned by a single person, or \$43,980 for properties owned by multiple persons. Income from *all* sources, whether taxable or not, is included in these figures.

Applications for this program are available from, and must be submitted

to, the county assessor by Sept. 1 of the application year and must be resubmitted every three years. Applicants do not need to apply in person, and county assessors are required to respond to all applications by Dec. 1.

Practice Tip! – CPAs may endear themselves to their clients by helping them determine whether they, their parents, or other family members qualify for the property tax relief available to qualifying seniors, widows, widowers and disabled persons in Arizona. **AZ CPA**

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