

Oregon Property Tax Deferral of Special Assessments

This booklet includes the application form you will need to apply for a special assessment deferral.

Mail your completed application to the taxing district office between October 1 and December 1.

Special accommodations will be made for communications with people with disabilities. See page 8 for numbers to call and places to get help.



Before you mail your application to the taxing district bonding officer:

- ✓ Complete and sign your application.
- ✓ Complete the required income verification form.
- ✓ Attach a copy of your most recent property tax statement.
- ✓ Attach a copy of ownership document if your property is a manufactured structure (personal manufactured structures do not qualify).
- ✓ Attach a copy of your doctor's statement if you are not living on the property due to medical reasons.

Your application cannot be processed without this information.

Deferral of Special Assessments

As a senior citizen, you can “borrow” to pay for public improvements that are charged against your property. The state will make the payments for those who qualify. All payments, plus interest, must be repaid.

Oregon homeowners age 62 or older may defer payments on certain special assessments against their property. These are assessments by a city, county, sanitary district, or other taxing district for improvements such as paved streets, sidewalks, and sewers.

How does deferral work?

If you qualify for the deferral program, the State of Oregon will make the installment payments to the taxing district for you.

The payments will be charged to an account that establishes a lien against your property. The money, plus interest, must be paid back when you move, sell the property, change ownership, or die. The interest rate is 6 percent per year.

This program allows you to live on your property as long as you wish without making special assessment payments. You may apply to defer present and future assessments. If you have any past due assessments, you also may defer those (including interest or penalty you owe).

Interest charges

The special assessments charged against your property are spread out over a period of time (often 20 years). The taxing district will provide a schedule that shows how each installment charge is computed. These installment charges include an interest charge by the taxing district. The department will make the installment payments on your behalf, and charge an additional 6 percent annual interest on each installment payment made.

How do I qualify?

To qualify for the deferral program:

1. You must be 62 or older at the time you file the application.

2. You must have a recorded deed to the property or be buying the property under a recorded sales contract. Certain trustor-trustee arrangements qualify for deferral. You are not eligible for deferral if you have only a life estate interest in the property. Your homestead is limited to your principal dwelling and the tax lot where it is located.
3. You must live on the property (except for an individual required to be absent by reason of health).
4. Your total household income must be less than \$36,500 for the 2006 income tax year. Household income is defined as both taxable and nontaxable income, including Social Security and pensions.
5. If the property is owned by two or more persons, not husband and wife, each owner must:
 - Apply,
 - Live on the property,
 - Be 62 or older, and
 - Have combined household income of less than \$36,500 for the 2006 income tax year.

How do I apply?

Apply for the deferral between October 1 and December 1 at the taxing district office that billed you for the improvement.

The application must include a certified copy of the installment agreement. If your payments are delinquent and you want the state to pay them, the delinquent amount must be shown on the application.

When filing your application for deferral, you must attach the following:

- Copy of property tax statement or printout for the previous year.
- Income worksheet (included with application).
- Copy of ownership document if your property is a manufactured structure (personal manufactured structures do not qualify).
- Copy of doctor’s statement if you are not living on the property due to medical reasons.

The taxing district bonding officer will send your application to the Oregon Department of Revenue. If the department approves your application, the state will pay your special assessment installments for you as long as the property qualifies.

Can payments be made on the deferred account?

Yes. You may pay all or part of your deferral account and still continue to defer current and future payments. However, if you still have a balance at the taxing district, you may want to send payments to the taxing district to reduce the billing amount that Oregon Department of Revenue would otherwise pay on your behalf. Also, relatives or friends may make payments on your account if you do not object.

When are deferred assessments due?

All deferred assessment payments plus interest become due on August 15 the calendar year after any of these events occur:

- The person who claimed the deferral dies.
- The ownership of the property changes.
- The person who claimed the deferral no longer lives on the property (except when required to be absent for health reasons).

However, if the person who deferred the payment dies or is disqualified, that person's spouse may continue the deferral if the survivor:

- Was 59½ years old or older when the disqualification occurred,
- Meets other qualifications, and
- Applies by August 15 of the next year.

If heirs inherit the property and make it their principal residence by August 15 of the following year, a repayment schedule may be arranged with the Oregon Department of Revenue.

Call the Department of Revenue for information about your deferred account balance. Call your taxing district for the assessment balance.

Special assessment accounts

Special assessment accounts accrue 6 percent simple interest each year. The interest is **simple**, meaning that the interest computes yearly against the deferred amounts. Deferral accounts **do not** accrue compound interest, which means interest is computed on previous interest in addition to the deferred amounts.

The example below shows deferred installment payments and the simple interest that accrues during that time.

Note: Installment payments are made each year on February 1 and August 1 to the taxing district.

Example of Payments and Interest

Payment Date	Installment Amount Paid	Deferred Installment Running Balance	6% Interest Accrual
Feb 2008	\$300	\$300	\$9
Aug 2008	\$300	\$600 (\$300 + \$300)	\$18
Feb 2009	\$300	\$900 (\$600 + \$300)	\$27
Aug 2009	\$300	\$1,200 (\$900 + \$300)	\$36
Feb 2010	\$300	\$1,500 (\$1,200 + \$300)	\$45
Aug 2010	\$300	\$1,800 (\$1,500 + \$300)	\$54
Feb 2011	\$300	\$2,100 (\$1,800 + \$300)	\$63
Aug 2011	\$300	\$2,400 (\$2,100 + \$300)	\$72
Feb 2012	\$300	\$2,700 (\$2,400 + \$300)	\$81
Aug 2012	\$300	\$3,000 (\$2,400 + \$300)	\$90
Total amount owed = \$3,000			\$495

Property tax deferral program

The Senior Citizen Special Assessment Deferral Program is different than the Property Tax Deferral program for Disabled and Senior Citizens. If you qualify, you may apply to your county assessor for the Senior Deferral program to defer your property taxes by completing a separate application. Applications are only accepted between January 1 and April 15. For more information about tax deferral, write for the free information circular, *Oregon Property Tax Deferral for Disabled and Senior Citizens*, 150-490-675. You may also contact us at the telephone numbers and website listed below. The address is:

Publications
Oregon Department of Revenue
PO Box 14999
Salem OR 97309-0990

Taxpayer assistance

General tax information www.oregon.gov/DOR
Salem.....503-378-4988
Toll-free from Oregon prefix.1-800-356-4222

Deferral Unit

Phone503-945-8348
Fax503-945-8737
E-mail.....deferral.unit@state.or.us

Asistencia en español:

Salem.....503-378-4988
Gratis de prefijo de Oregon ..1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem.....503-945-8617
Toll-free from Oregon prefix.1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.

HOUSEHOLD INCOME CHECKLIST

Use this list to see what must be included in total household income for the Special Assessments Deferral program (include Social Security and railroad retirement benefits).

	Household Income		Household Income		
	Yes	No		Yes	No
Alimony and separate maintenance.....	×		Credit union savings account "dividends" (interest).....	×	
Annuities and pensions (reduced by cost recovery).....	×		Insurance policy "dividends" (return of premium).....	×	
*Business income (reduced by expenses).....	×		Return of capital dividends.....	×	
Cafeteria plan benefits.....		×	Stock dividends.....	×	
*Capital loss carryover.....		×	Tax-exempt dividends.....	×	
*Capital losses (in year determined).....	×		Earned income credit, advanced.....	×	
Child support.....	×		*Estate and trust income (also see Inheritance).....	×	
Child support included in welfare.....	×		*Farm income (reduced by expenses)....	×	
Clergy's rental or housing allowance, in excess of expenses claimed to determine federal AGI.....	×		Agricultural program payments.....	×	
Compensation for services performed			Patronage dividends.....	×	
Back pay.....	×		Proceeds from sale of crops and livestock.....	×	
Bonuses.....	×		Rents.....	×	
Clergy's fees.....	×		Sale of services.....	×	
Commissions.....	×		Fellowships.....	×	
Director's fees.....	×		Foreign income excluded from federal AGI.....	×	
Fees in general (trustee, executor, jury duty).....	×		Foster child care (reduced by expenses).....	×	
Lodging for convenience of employer.....	×		Funeral expenses received.....	×	
Meals for convenience of employer.....	×		Gains on sales (receipts less cost).....	×	
Salaries.....	×		Excluded gain for Oregon on sale of residence.....	×	
Severance pay.....	×		Gambling winnings (without reduction for losses).....	×	
Tips.....	×		Gifts and grants (totaling more than \$500 in value).....	×	
Wages.....	×		Cash.....	×	
Deferred compensation			Gifts from nonspouse in the same household.....	×	
Contributions made.....	×		Gifts from spouse in the same household.....	×	
Payments received.....	×		Gifts other than cash (report at fair market value).....	×	
Depletion in excess of basis.....	×		Payment of indebtedness by another person.....	×	
Depreciation, depletion, and amortization in excess of \$5,000.....	×				
Disability income (entire amount).....	×				
Dividends, taxable and nontaxable.....	×				

*Losses limited to \$1,000.

	Household Income			Household Income	
	Yes	No		Yes	No
Grants and payments by foreign governments not included in federal adjusted gross income.....	×		Lump-sum distribution (less cost recovery).....	×	
Grants by federal government for rehabilitation of home.....		×	Military and veteran's benefits (taxable and nontaxable)		
Gratuities.....	×		Combat pay.....	×	
Hobby income.....	×		Disability pensions.....	×	
Honorariums.....	×		Educational benefits (GI Bill).....	×	
Individual Retirement Arrangement (IRA) payments received.....	×		Family allowances.....	×	
Payments contributed.....		×	Pensions.....	×	
Rollovers or conversions.....	×		Net operating loss carryback and carryover.....		×
Inheritance.....	×		*Partnership income (reduced by expenses).....		×
From spouse who resided in the same household.....		×	Parsonage (rental value) or housing allowance received by clergy in excess of expenses used in determining federal AGI.....		×
Insurance proceeds			Pensions and annuities (taxable and nontaxable) (reduced by cost recovered in the current year).....		×
Accident and health.....	×		Prizes and awards.....		×
Disability payments.....	×		Railroad Retirement Act benefits (see Social Security and Railroad Retirement Act benefits).....		×
Employee death benefits.....	×		Refunds		
Life insurance.....	×		Earned income credit.....		×
Personal injury damages (less attorney fees).....	×		Federal tax.....		×
Property damage if included in federal income.....		×	Property tax.....		×
Reimbursement of medical expense.....		×	Oregon income tax.....		×
Sick pay (employer sickness and injury pay).....		×	Other states' income tax (if included in federal AGI).....		×
Strike benefits.....	×		Reimbursements (in excess of expenses incurred).....		×
Unemployment compensation.....	×		For moving expense.....		×
Workers' compensation.....	×		For travel.....		×
Interest, taxable and nontaxable.....	×		Rental allowances paid to ministers and not included in federal adjusted gross income.....		×
Contracts.....	×		*Rental and royalty income (reduced by expenses).....		×
Municipal bonds and other securities.....	×		Residence sales (see gains on sales).....		×
Savings accounts.....	×				
Tax-exempt interest.....	×				
U.S. Savings Bonds.....	×				
*Losses on sales (to extent used in determining adjusted gross income).....		×			
From sales of real or personal property (nonbusiness).....		×			
Lottery winnings.....	×				

*Losses limited to \$1,000.

	Household Income			Household Income	
	Yes	No		Yes	No
Retirement benefits (see pensions, Social Security and Railroad Retirement Act benefits)			Trust income.....		×
Sales (see gains on sales and losses on sales)			Unemployment compensation.....		×
Scholarships (excess over \$500)	×		Wages		×
Sick pay.....	×		Welfare benefits		×
Social Security and Railroad Retirement Act Benefits (taxable and nontaxable).....		×	Aid to blind and disabled		×
Children's benefits paid to parent		×	Aid to dependent children.....		×
Children's benefits paid to your child		×	Child care payments.....		×
Disability pension		×	Child support included in welfare		×
Medicare payments of medical expenses		×	Direct payments to nursing home		×
Medicare premiums deducted from Social Security		×	Food stamps (or cash payments in lieu of food stamps).....		×
Old-age benefits		×	Fuel assistance		×
Supplemental Security income		×	In-home services approved by the Department of Human Services.....		×
Survivor benefits		×	Medical payments to doctors		×
Stipends (excess over \$500).....		×	Old-age assistance.....		×
Strike benefits		×	Payments for medical care, drugs, medical supplies, and services for which no direct payment is received		×
Support from parents who don't live in your household		×	Reimbursements of expenses paid or incurred by participants in work or training programs		×
			Special shelter allowance		×
			Surplus food.....		×
			Women, Infants, and Children program (WIC)		×

*Losses limited to \$1,000.

Deferral Application Instructions

Please print or type.

Applicant Section. Complete the following information on your application: Applicant's name, joint applicant's name, Social Security number (SSN), date of birth, age, mailing address, property address, city, state, Zip code, telephone number, and message telephone number. **Note:** If you are applying as joint owners, each joint owner must be age 62 on or before April 15. If you are married and applying for special assessment deferral jointly with your spouse, you both must be 62 years old on or before April 15. If only one spouse is 62 you must file as an individual.

Social Security Number (SSN). The request for your Social Security number is authorized by Section 405, Title 42, of the United States Code. You must provide this information. It

will be used to establish your identity for tax purposes only.

Bonding Officer's Section. Do not complete. This section will be completed by the taxing district's bonding officer.

Income Worksheet. All of the applicants' household income (taxable and nontaxable) must be included on the Income Worksheet.

Attach the following to your application:

- A copy of your most recent property tax statement.

Declaration Section. Be sure you read this section before you sign it.

Signature. The applicant(s) and joint applicant(s) must sign and date the application.

- **Send the original application** to your taxing district bonding officer. **The Department of Revenue will notify you in writing when your application is approved or denied.** If approved, Revenue will pay your future special assessment installments.

- **Your special assessment application must be filed with the taxing district bonding officer between October 1 and December 1.**
- If you need help completing your application, contact Revenue's Deferral Unit. Please have your Social Security number ready when you contact us.

How to contact the Department of Revenue if you need help

Telephone:

Salem.....503-378-4988

Toll-free from Oregon prefix...1-800-356-4222

Deferral Unit503-945-8348

Fax 503-945-8737

E-mail.....deferral.unit@state.or.us

Internet..... www.oregon.gov/DOR

TTY (hearing or speech impaired; machine only):

Salem.....503-945-8617

Toll-free from Oregon prefix...1-800-886-7204

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Asistencia en español:

Salem.....503-378-4988

Gratis de prefijo de Oregon ...1-800-356-4222



Application for Deferral of Special Assessment on Senior Citizens' Residential Property

FOR OFFICIAL USE ONLY
Date received at bonding office
Date received at Department of Revenue

- Mail your completed application to the assessment district bonding officer between October 1 and December 1.
- You must complete the Income Worksheet on the back of this application.
- Remember to sign your application.

Filed with the _____ Bonding officer for _____ (year) and prior calendar years.

Applicant's name (Last, First, M.I.)	Social Security number	Birth date	Age
• _____	• _____ - _____	• _____	• _____
Joint applicant's name (Last, First, M.I.)	Social Security number	Birth date	Age
• _____	• _____ - _____	• _____	• _____
Other joint applicant on deed or contract (Last, First, M.I.)	Social Security number	Birth date	Age
• _____	• _____ - _____	• _____	• _____
Mailing address	City	State	ZIP code
• _____	• _____	• _____	• _____
Property address (if different than mailing address)	Telephone number/message		
• _____	• _____		

Now go to the back of the form →

THIS SPACE FOR BONDING OFFICER'S USE ONLY – MUST COMPLETE

Bonding officer's account	Date entered on bond lien docket	Bond lien docket number
• _____	• _____	• _____
Kind of bonds	Certified copy of the installment agreement attached <input type="checkbox"/> Amortization <input type="checkbox"/>	
• _____	• _____	

Please provide an amortization of payment/amounts for each installment for the life of the assessment.

First installment Jan 1–Jun 30: **Due August 1** \$ _____

Second installment Jul 1–Dec 31: **Due February 1** \$ _____

Delinquent installment: **Due by January 31** \$ _____

DESCRIPTION OF PROPERTY

Manufactured Structure	Model year	Make	Home number	Manufactured home park name
• _____	• _____	• _____	• _____	• _____
Platted	Lot _____ Blk _____ Legal Desc _____			
Unplatted	For all unplatted properties attach a copy of the recorded deed or contract.			
• _____	Parcel in: T _____ R _____ Sec _____			
Deed	As described in _____ County Containing _____ acres			
• _____	Deed information			
• _____	<input type="checkbox"/> Deed recorded in (year) _____ <input type="checkbox"/> Contract recorded in (year) _____			
• _____	Document/instrument number	Microfilm number	Reel	Book/volume
• _____	• _____	• _____	• _____	• _____
Assessor's account number	Levy code			
• _____	• _____			

BONDING OFFICER'S CERTIFICATION

Note: If more than one special assessment is being deferred, each requires a separate application. If this is the first application for deferral of this property, A CERTIFIED COPY OF THE AGREEMENT allowing payment of the special assessment by installment must be attached.

I certify that the above is a true statement of the total amount due.

Bonding officer signature	Title	Date	County	No.
• X _____	• _____	• _____	• _____	• _____

– THIS SPACE FOR DEPARTMENT OF REVENUE USE ONLY –

<input type="checkbox"/> Application approved	Approved by (initials)	Date approved	<input type="checkbox"/> Application denied	Denied by (initials)	Date denied	Bonding district no.
• _____	• _____	• _____	• _____	• _____	• _____	• _____

Applicant's last name	First name and initial	Social Security number - -
Joint applicant's last name	First name and initial	Social Security number - -

List below all income for 2006. Include income earned in other states or countries. Your income eligibility is determined by Oregon law. Your household income must be less than \$36,500 (taxable and nontaxable income) to qualify.

Income Worksheet

Work and Investment Income

1. Wages, salaries, and other pay for work.....	1		00
2. Interest and dividends (total taxable and nontaxable)	2		00
3. Business net income (loss limited to \$1,000).....	3		00
a. Do you have a business located on this property? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, explain type of business and percentage of property used for business purposes _____			
4. Farm net income (loss limited to \$1,000).....	4		00
5. Total gain on property sales (loss limited to \$1,000).....	5		00
6. Rental net income (loss limited to \$1,000).....	6		00
a. Is part of your home or property used as a rental? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what percentage? _____			
7. Other capital gains (i.e., stocks and bonds (loss limited to \$1,000)	7		00
8. Other income from your federal return. Identify: _____	8		00
9. Add lines 1 through 8.....	9		00

Retirement Income

10. Total Social Security, Supplemental Security Income (SSI), and railroad retirement	10		00
11. Pensions and annuities (total taxable and nontaxable).....	11		00
12. Add lines 10 and 11	12		00

Other Income

13. Unemployment benefits.....	13		00
14. Child support	14		00
15. Support from others not in your household. Identify: _____	15		00
16. Veteran's and military benefits	16		00
17. Gifts and grants. Total amount minus \$500	17		00
18. Gambling winnings.....	18		00
19. Other sources. Identify: _____	19		00
20. Add lines 13 through 19.....	20		00
21. Your total household income. Add lines 9, 12, and 20	21		00

If the amount on line 21 is **more** than the household income limit allowed (\$36,500 for 2006), you do not qualify for the Special Assessment Deferral.

DECLARATION

I declare under penalties for false swearing that I have examined all documents and to the best of my knowledge, they are true, correct, and complete. I understand a lien will be placed on this property. I understand that 6 percent simple interest accrues on each years' deferred bond amount.

Applicant's signature	Date	Joint applicant's signature	Date
X		X	