

## How to think about the Senior Property Tax Exemption Program when voting on RFA annexation

### Basic Info on the program:

The senior/disabled property tax exemption program is a statewide program that lowers the property taxes of moderate income seniors (62 years old) and disabled homeowners of any age. The taxes do not have to be paid back. The income threshold was increased in 2024 and now many more homeowners qualify. The application is a two page form collecting facts about your household, your property, your income, and your deductible expenses. For the 2025 tax application, report your income/deductions from 2024. That 'net' must be less than \$75,000 in Snohomish County. Deductions are allowed for medical, pharmacy, dental, and vision spending. Premiums paid for Medicare type insurance and long term care insurance are also deductions. The application requires documentation of all financial information. The size of the homeowner's tax cut depends on their income-less-deductions. All homeowners stop paying school related taxes, which are the largest of all the levies paid in Edmonds. Next, think about changes in your home's assessed value to understand if regular levies (not school levies) are reduced in future years. Which of the three net disposable income brackets you fall into determines the new assessed value.

### How the total tax bill is reduced:

- In the highest bracket of \$64,001- \$75,000 (level C) your tax assessed value is frozen at the year your exemption was approved. Example: Next year your market assessed value goes up by \$30,000. You pay at the levy rate times last year's frozen assessed value. Typical 2025 levy rates for an Edmonds homeowner with the exemption are \$3.60 per \$1000. You avoid paying the school taxes this year. And you avoid paying \$108 in regular levies (30 x 3.60) in the second year ( plus the school taxes).
- The middle bracket is \$54,001 - \$64,000 (level B). Your assessed value is reduced by 35% or \$50,000, whichever is greater but not to exceed \$70,000, and frozen. Example: You avoid paying \$252 in regular levies (70 x 3.60) this year, plus the school taxes.
- The lowest bracket is any net income up to \$54,000 (level A). The assessed value is reduced by the largest amount: 60% reduction or \$60,000 whichever is greater. Example: the average Edmonds house assessed value is \$900,000 and is then reduced by \$540,000. You avoid paying \$1,944 in regular levies (540 x 3.60) this year, plus the school taxes.

### Examples of the tax increase if RFA annexation is approved by Edmonds:

In an April special election Edmonds voters will decide whether to be annexed into the RFA (vote Yes) or require the City to continue to contract for service (vote No). If annexation is approved, a new tax will be charged by the RFA. The size of the tax is significant, and it is handled under the senior exemption program. The table below shows taxes paid to the RFA by homeowners in Esperance and Mountlake Terrace who receive the exemption (Source: property tax records for 2024 and 2023). Only homeowners in level A had RFA taxes cut by a meaningful amount. (For simplicity, this data is only the RFA's tax and excludes their benefit charge fee.) The specific Edmonds details matter. The majority of Edmonds homeowners who started receiving the exemption in 2024 are in the higher two brackets (source: Assessor's data request filled on 2-28-25). If annexation is approved, their RFA tax cuts will be small - similar to the Level C or B data in the table shown below.

Exemption	Address	Reduction in assessed value	New taxes owed to RFA	Old taxes owed to RFA	RFA Taxes cut due to the exemption	Percent reduction in RFA taxes
Level C	8324 220th St. W, Edmonds (note 1)	0	887	887	0	0%
Level B	22406 64th Ave W, Mountlake Terrace	70,000	710	791	81	10%
Level A	23416 88th Ave W, Edmonds	488,100	377	943	566	60%

Note 1 : this property has a lower (frozen) assessed value in the second year of exemption, and RFA taxes were cut \$15 in the second year by avoiding a \$13,200 increase in tax assessed value.

Options for tax levies:

The City has announced a new tax levy will be on the ballot later this year. It can be structured so that ALL seniors approved in the exemption program pay none of that new tax.

Want assistance applying?

You do not need to use the math described in this article to apply for exemptions. Just document your income and expenses. After mailing your application packet to the county, be prepared to wait. Last year it took up to 4 months to be notified of a decision. For help in applying, drop in at the County Assessor's Exemption Department in Everett or make an appointment with the volunteers at the Edmonds Waterfront Center.