

# Combined Disposable Income Worksheet

Attach and submit the completed worksheet with your property tax relief application.

## Instructions (worksheet is on the last page)

The terms disposable income and combined disposable income for the purpose of Washington's property tax relief programs for individuals are defined in RCW 84.36.383 and WAC 458-16A-100. Use this worksheet to calculate your combined disposable income and enter the result on your property tax relief application(s).

Enter the calendar year of the income you are reporting.

If you, your spouse/domestic partner, and/or co-tenants are required to file a federal income tax return, mark yes even if they have not been filed yet. Note: if federal income tax returns are required to be filed, you will need to provide a complete copy of the federal income tax returns submitted to the IRS. Your county assessor may require you to wait to complete your application(s) until the federal income tax returns have been filed with the IRS.

**Disposable income:** Include amounts for you and your spouse or domestic partner as well as amounts of anyone living in the residence that has an ownership interest in the residence.

**Line 1** If you filed a federal income tax return enter your federal Adjusted Gross Income (AGI) on Line 1 and include a complete copy of your federal income tax return. If you did not file a federal income tax return enter zero.

**Line 2** If you filed a federal income tax return, enter the amount of capital gains exempted or not reported on your federal income tax return. If you did not file a federal income tax return, enter all your capital gains from all sources. This includes the gain on the sale of a primary residence to the extent the gain was not used to purchase a replacement primary residence. Do not use losses to offset gains. Include copies of 1099's and year-end account statements.

**Line 3** If you filed a federal income tax return and reported losses, you must add back the losses to the extent they were used to offset or reduce income. Ex1: On Schedule D, you reported a \$10,000 loss but the loss was limited to \$3,000. Enter \$3,000 on Line 3. Ex2: You filed two Schedule C's – one with a \$10,000 loss and one with a \$5,000 net income. A net loss of \$5,000 was reported on your federal income tax return. Enter \$10,000 on Line 3. If you did not file a federal income tax return, enter zero.

## Combined Disposable Income Worksheet

**Line 4** If you filed a federal income tax return and reported depreciation and the net result was a loss, you must recalculate the net income/loss without the depreciation expense. If there is still a net loss enter zero on Line 4. If the result is net income, enter the net income on Line 4. If you did not file a federal income tax return, calculate any business, rental, etc. net income/loss without a deduction for depreciation expense. Include copies of all supporting documents.

**Line 5** If you filed a federal income tax return, enter the amount of nontaxable wages you received. If all your wages were taxable and included on your federal income tax return, enter zero. If you did not file a federal income tax return, enter the total wage income you received. Include copies of W-2's or wage statements.

**Line 6** If you filed a federal income tax return, enter the amount of nontaxable interest and dividends received. Include nontaxable interest on state and municipal bonds. If you did not file a federal income tax return, enter the total interest and dividend income you received including interest on state and municipal bonds. Include copies of 1099's or other tax statements.

**Line 7** If you filed a federal income tax return, enter the amount of nontaxable pension and annuity distributions you received. Ex: You received \$10,000 in pensions and annuities. The taxable amount was \$6,000. Enter the nontaxable \$4,000 on Line 6. If you did not file a federal income tax return, enter the gross pension and annuity distribution amounts on Line 6. Do not include nontaxable IRA distributions. Include copies of 1099's.

**Line 8** If you filed a federal income tax return, enter the amount of nontaxable military pay and benefits, including Combat Related Special Compensation (CRSC), you received. Do not include attendant-care and medical-aid payments. If you did not file a federal income tax return, enter the amount of all military pay and benefits regardless of whether it is subject to federal income tax. Do not include attendant-care and medical-aid payments. Include copies of award letters or other supporting documents.

**Line 9** If you filed a federal income tax return, enter the amount of nontaxable veteran pay and benefits you received. Do not include attendant-care and medical-aid payments, disability compensation, or dependency and indemnity compensation paid by DVA. If you did not file a federal income tax return, enter the total amount of veteran pay and benefits you received. Do not include attendant-care and medical-aid payments, disability compensation, or dependency and indemnity compensation paid by DVA. Include copies of award letters or other supporting documents.

**Line 10** If you filed a federal income tax return, enter the amount of nontaxable social security and railroad retirement benefits. Ex: Your gross Social Security benefit was \$10,000 and \$4,000 was subject to federal income tax, enter the nontaxable \$6,000 on Line 9. If you did not file a federal income tax return, enter the gross social security and railroad retirement benefits you received. Include copies of 1099's.

## Combined Disposable Income Worksheet

**Line 11** If you filed a federal income tax return, enter the amount of business, rental, or farming income not reported on your federal income tax return or related schedules. If you did not file a federal income tax return enter the total amount of business, rental, or farming income. You can deduct normal expenses, except depreciation, but do not use losses to offset income. Include copies of all supporting documents.

**Line 12** If you filed a federal income tax return, enter the amount of any other income you received not reported on your federal income tax return or disclosed on a previous line including money contributed to household expenses from other residents. If you did not file a federal income tax return, enter the amount of any other income you received not reported on a previous line including money contributed to household expenses from other residents.

**Deductions:** Include amounts paid by you and your spouse or domestic partner that were not reimbursed by insurance or other organizations or providers.

**Line 14** Enter nursing home, assisted living facility, or adult family home expenses incurred. Provide copies of invoices or equivalent documents for the amounts entered.

**Line 15** Enter home health care expenses incurred. Home health care means the treatment or care received in the home that is similar to the type of care provided in the normal course of treatment or care in a nursing home. The providers of home health care do not have to be licensed for the cost to be deductible under this provision. Qualifying expenses may be: physical therapy received in the home, medical treatments or care received in the home, attendant care, light housekeeping tasks, meals-on-wheels, or life alert. Provide copies of invoices or equivalent documents for the amounts entered.

**Line 16** Enter the amounts paid for prescription drugs. Provide a summary from your pharmacies or equivalent documents for the amounts entered.

**Line 17** Enter the amounts paid for Medicare Parts A, B, C, or D insurance premiums. Provide copies of SSA-1099, invoices, or equivalent documents for amounts entered.

**Line 18** Enter the amounts paid for approved Medicare supplemental insurance premiums. Provide copies of statements identifying insurance company, plan number, and premiums paid.

**Line 19** Enter amounts paid for durable medical equipment, mobility enhancing equipment, and prosthetic devices. Deductible amounts include for purchase, rental, repair, cleaning, replacement parts, etc. Review WAC 458-20-18801 tables 1, 3, and 5 for qualifying items. Provide receipts or invoices for amounts entered.

**Line 20** Enter amounts paid for medically prescribed oxygen, including but not limited to, oxygen concentrator systems, oxygen enricher systems, liquid oxygen systems, and gaseous, bottled oxygen systems prescribed. Provide receipts or invoices for amounts entered.

## Combined Disposable Income Worksheet

**Line 21** Enter amounts paid for long-term care insurance premiums. Provide invoices or equivalent documents for amounts entered.

**Line 22** Enter amount paid for cost-sharing. Cost-sharing amounts included deductibles, co-insurance, co-payments for enrollees in health plan; the amounts counted toward the plans out-of-pocket maximum. Provide a coverage summary that identifies the amount of out-of-pocket maximum incurred.

**Line 23** Enter amounts paid for nebulizers; a device, not a building fixture, that converts a liquid medication into a mist so that it can be inhaled. Provide receipts or invoices for amounts entered.

**Line 24** Enter amounts paid for medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, by a naturopath licensed under Washington law. Provide the receipts or invoices for amounts entered, a copy of the treatment plan, and the name of the naturopath and their Washington license number.

**Line 25** Enter the amounts paid for ostomic items; disposable medical supplies used by colostomy, ileostomy, and urostomy patients, and includes bags, belts to hold up bags, tapes, tubes, adhesives, deodorants, soaps, jellies, creams, germicides, and other like supplies. Does not include undergarments, pads, and shields to protect undergarments, sponges, or rubber sheets. Provide receipts or invoices identifying items and amounts paid.

**Line 26** Enter amounts paid for insulin for human use. Provide receipts or invoices identifying items and amounts paid.

**Line 27** Enter amounts paid for kidney dialysis devices. Provide receipts or invoices identifying items and amounts paid.

**Line 28** Enter amounts paid for disposable devices used to deliver drugs such as syringes, tubing, or catheters. Does not include a stand or device that holds the tubing or catheter. Provide receipts or invoices identifying items and amounts paid.

**Line 29** If you filed a federal income tax return, enter zero. The amount you entered on Line 1 accounts for adjustments to income if you filed a federal income tax return. If you did not file a federal income tax return, review federal form Schedule 1 (Form 1040) and federal form Schedule 1 instructions for valid adjustments to income. If any adjustments are applicable, enter the amounts. Provide supporting documents for all amounts entered.

**Line 31** Combined disposable income. Enter this amount on your main application; Senior Citizen and People with Disabilities Exemption from Real Property Taxes, Deferral Application for Senior Citizens and People with Disabilities, Deferral Application for Homeowners with Limited Income, or Property Tax Assistance Application for Widows/Widowers of Veterans.

# Combined Disposable Income Worksheet

Income year:	
Are you required to file a federal income tax return?	Yes No
<b><u>Disposable income</u></b>	<b><u>Amount</u></b>
1. Federal adjusted gross income from Federal Form 1040	
2. Capital gains not reported on your federal income tax return	
3. Losses reported on your federal income tax return	
4. Depreciation reported on your federal income tax return	
5. Wage income: nontaxable and/or not reported on your federal income tax return	
6. Dividend or interest income: nontaxable and/or not reported on your federal income tax return	
7. Pension and annuity income: nontaxable and/or not reported on your federal income tax return	
8. Military pay and benefits: nontaxable and/or not reported on your federal income tax return	
9. Veterans pay and benefits: nontaxable and/or not reported on your federal income tax return	
10. Social security or railroad retirement benefits: nontaxable and/or not reported on your federal income tax return	
11. Business, rental, or farming income not reported on your federal income tax return	
12. Other income not included in amounts on Lines 1-11, provide the source, type and amount	
13. Add lines 1-12	<b>This is your total disposable income:</b>
<b><u>Deductions</u></b>	
14. Nursing home, assisted living or adult family home	
15. Home health care	
16. Prescription drugs	
17. Medicare parts A,B,C, D insurance premiums	
18. Medicare supplemental/Medigap insurance premiums	
19. Durable medical and mobility enhancing equipment and prosthetic devices	
20. Medically prescribed oxygen	
21. Long-term care insurance	
22. Cost-sharing amounts	
23. Nebulizers	
24. Medicines of mineral, animal and botanical origin prescribed, administered, dispensed, by a naturopath licensed under Washington law	
25. Ostomic items	
26. Insulin for human use	
27. Kidney dialysis devices	
28. Disposable devices used to deliver drugs for human use	
29. Adjustments to income	
30. Add lines 14-29	<b>This is your total deductions:</b>
31. Subtract line 30 from line 13	<b>This is your total combined disposable income:</b>