Oregon Deferral
of Special Assessments

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

File your completed application with the taxing district office after October 1 and by November 30. See pages 11 and 12 (Form).

Special accommodations will be made for communications with people with disabilities. See page 5 for numbers to call and places to get help.

Before mailing the application to the taxing district bonding officer, you must:

- ✔ Complete and sign your application.
- ✔ Complete the income worksheet.
- ✔ Attach a copy of your most recent property tax statement.
- ✔ Attach a copy of the Certified Installment Agreement from the taxing district.
- ✔ Attach a copy of your doctor's statement if you are not living on the property because of medical reasons.

Your application cannot be processed without this information.

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OREGON DEPARTMENT OF REVENUE

Deferral of Special Assessments

As a senior citizen, you can "borrow" from the state of Oregon to pay public improvements to the taxing district.

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.

Past due payments may be deferred (including interest or penalty you may owe). Contact the taxing district regarding questions about past due payments.

Program information

If you qualify for the special assessment program, the Department of Revenue (DOR) will make the installment payments to the taxing district on February 1 and August 1. Also:

- Interest at 6 percent on the installments is deferred (see page 5), and
- A lien will be placed on your property, and
- On real property manufactured structures (includes land) a $55 fee will be charged to your account for DOR to become a security interest holder, and
- Personal manufactured structures (land not included) do not qualify.
- The manufactured structure fee will be deferred.

To qualify

- If you are married and apply jointly with your spouse or registered domestic partner (RDP), you both must be 62 years old or older. If only one applicant is 62, you must apply as an individual.
- All joint property owners, other than spouse, must be age 62.
- You **must** have a recorded deed to the property, or you must be buying the property under a recorded sales contract. You may have a revocable trust. You are **not** eligible if you have a life estate interest in the property. A life estate is when you live on the property but do not own the property.
- You must live on the property; however, you may live away from the property because of medical reasons. **You must send a medical statement on letterhead from your health care provider to DOR (the exact medical condition is not needed).**
- Household income must be less than $39,000 for the income tax year 2008. This includes taxable and nontaxable income, including Social Security and pensions.
- If you have filed for an income tax extension, attach copies of documentation (i.e., W2s, 1099s, federal tax return, etc.).
- **If, after your initial approval, DOR discovers additional information on your household income that was not included on your application, you may be disqualified from the program and receive a billing notice.**

To apply

First, read the information about the special assessment program to help you decide if you qualify. Follow the instructions on page 9.

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

Making payments on the account

Yes, you may make payments. You may pay all or part of your special assessment account and continue to defer current and future installment 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 DOR would otherwise pay on your behalf. Others (relatives or friends) may also make payments on your account if you do not object.

Make your payments to the DOR. Payments are applied first to accrued interest, and then to past deferred installments and manufactured structure fees.

Assessments due

- When you sell the property or it changes ownership. Example: You deed your property to your children.
- When you move permanently from the property, unless it's because of medical reasons.
- When the applicant dies.
- The deferred taxes plus interest of 6 percent per year and fees must be paid by August 15 of the calendar year following one of the above events.
- If the property is inherited and the heir makes the property their principal residence by August 15 of the following year. A repayment schedule may be arranged with DOR.
- Contact DOR for information about your special assessment account balance. Contact the taxing district for the assessment balance.

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 (amortization) that shows how each installment charge is computed. These installment charges include an interest charge by the taxing district.

Accounts accrue 6 percent simple interest each year

Simple interest is different from the compounded interest that credit card accounts accrue. Simple interest means that the interest computes yearly against the deferred tax amounts. Compound interest means interest is computed using both the amount charged (deferred installments) and previous unpaid interest.

If you compare our 6 percent simple interest to 6 percent compounded interest charged by credit cards, the simple interest you pay would be significantly less.

The example of payment and interest on the next page shows deferred installment payments and the simple interest that accrues during that time.

Property tax deferral program

The Oregon Deferral of Special Assessments program is different from the Oregon Property Tax Deferral for Disabled and Senior Citizens program. If you qualify, you may apply to your county assessor for the Oregon Property Tax Deferral for Disabled and Senior Citizens program to defer your property taxes. To apply, you must complete a separate application. Applications are only accepted after January 1 and on or before 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 shown on this page.

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
Phone 503-945-8348
Fax 503-945-8737
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.

Example of Payments and Interest

Payment Date	Installment Amount Paid	Deferred Installment Running Balance	6% Interest Accrual
Feb 2010	$300	$300	$9
Aug 2010	$300	$600 ($300 + $300)	$18
Feb 2011	$300	$900 ($600 + $300)	$27
Aug 2011	$300	$1,200 ($900 + $300)	$36
Feb 2012	$300	$1,500 ($1,200 + $300)	$45
Aug 2012	$300	$1,800 ($1,500 + $300)	$54
Feb 2013	$300	$2,100 ($1,800 + $300)	$63
Aug 2013	$300	$2,400 ($2,100 + $300)	$72
Feb 2014	$300	$2,700 ($2,400 + $300)	$81
Aug 2014	$300	$3,000 ($2,400 + $300)	$90
Total amount owed = $3,000			$495

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).

Alimony and separate maintenance

Annuities and pensions (reduced by cost recovery)

*Business income (reduced by expenses)

*Capital losses (in year determined)

Child support

Child support included in welfare

Clergy's rental or housing allowance, in excess of expenses claimed to determine federal AGI

Compensation for services performed
- Back pay
- Bonuses
- Clergy's fees
- Commissions
- Director's fees
- Fees in general (trustee, executor, jury duty)
- Salaries
- Severance pay
- Tips
- Wages

Deferred compensation
- Payments received

Depletion in excess of basis

Depreciation, depletion, and amortization in excess of $5,000

Disability income (entire amount)

Dividends, taxable and nontaxable

Credit union savings account "dividends" (interest)

Stock dividends

Tax-exempt dividends

*Estate and trust income (also see Inheritance)

*Farm income (reduced by expenses)
- Agricultural program payments
- Patronage dividends
- Proceeds from sale of crops and livestock

Rents

Sale of services

Fellowships

Foreign income excluded from federal AGI

Gains on sales (receipts less cost)

Gambling winnings (without reduction for losses)

Gifts and grants (totaling more than $500 in value)
- Cash
- Gifts from nonspouse in the same household
- Gifts other than cash (report at fair market value)
- Payment of indebtedness by another person
- Grants and payments by foreign governments not included in federal adjusted gross income

Gratuities

Hobby income

Honorariums

Individual Retirement Arrangement (IRA) payments received

Inheritance

Insurance proceeds
- Accident and health
- Disability payments
- Employee death benefits
- Life insurance
- Personal injury damages (less attorney fees)
- Property damage if included in federal income
- Sick pay (employer sickness and injury pay)
- Strike benefits
- Unemployment compensation
- Workers' compensation

Interest, taxable and nontaxable
- Contracts
- Municipal bonds and other securities
- Savings accounts

*Losses limited to $1,000.

Tax-exempt interest
- U.S. Savings Bonds

*Losses on sales (to extent used in determining adjusted gross income)

Lottery winnings

Lump-sum distribution (less cost recovery)

Military and veteran's benefits (taxable and nontaxable)
- Combat pay
- Disability pensions
- Educational benefits (GI Bill)
- Family allowances
- Pensions

*Partnership income (reduced by expenses)

Parsonage (rental value) or housing allowance received by clergy in excess of expenses used in determining federal AGI

Pensions and annuities (taxable and nontaxable) (reduced by cost recovered in the current year)

Prizes and awards

Railroad Retirement Act benefits (see Social Security and Railroad Retirement Act benefits)

Refunds
- Other states' income tax (if included in federal AGI)

Reimbursements (in excess of expenses incurred)
- For moving expense
- For travel

Rental allowances paid to ministers and not included in federal adjusted gross income

*Rental and royalty income (reduced by expenses)

Residence sales (see gains on sales)

Retirement benefits (see pensions, Social Security and Railroad Retirement Act benefits)

Sales (see gains on sales and losses on sales)

Scholarships (excess over $500)

Sick pay

Social Security and Railroad Retirement Act Benefits (taxable and nontaxable)
- Children's benefits paid to parent
- Disability pension
- Medicare premiums deducted from Social Security
- Old-age benefits
- Supplemental Security income
- Survivor benefits

Stipends (excess over $500)

Strike benefits

Support from parents who don't live in your household

Trust income

Unemployment compensation

Wages

Welfare benefits
- Aid to blind and disabled
- Aid to dependent children
- Child care payments
- Child support included in welfare
- Direct payments to nursing home
- Old-age assistance

*Losses limited to $1,000.

Special Assessment Application Instructions

Please print or type.

Applicant Section. Check the box to indicate whether you are applying as: individual, joint applicants, RDP, surviving spouse, new marriage, or divorce. If you are applying as joint applicants, each must be age 62. If you are married or RDP and applying for special assessment deferral jointly, you both must be 62 years old at the time of the application. If only one applicant is 62, you must file as an individual. Complete the rest of this section.

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. Taxable and nontaxable combined household income must be included on the Income Worksheet. If you have filed for an income tax extension, attach copies of documentation (i.e., W2s, 1099s, federal tax return).

Attach the following to your application:

- A copy of your most recent property tax statement.
- Certified copy of the installment agreement (contract).

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 the taxing district bonding officer. **DOR will notify you in writing whether your application is approved or denied.** If approved, we will pay your future special assessment installments beginning February 1, 2010.
- **Your application must be filed with the taxing district bonding officer that billed you for the improvement, after October 1 and by November 30.**

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 Unit 503-945-8348
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

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

Asistencia en español:
Salem 503-378-4988
Gratis de prefijo de Oregon ... 1-800-356-4222

OREGON DEPARTMENT OF REVENUE

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

- File your completed application with the taxing district bonding officer after October 1 and by November 30.
- 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 type: ☐ Individual ☐ Joint applicants ☐ RDP ☐ Refiling as surviving spouse ☐ New marriage ☐ Divorce

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
Mailing address	City	State	ZIP code
Property address (if different than mailing address)	Telephone number/message/e-mail address		

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 ☐	Amortization ☐

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	Square footage	# of bedrooms	
	# of bathrooms / Roofing material	Siding type	Heating system	Cooling system	
Platted	Lot ______	Blk ______	______ Legal Desc		
Unplatted	For all unplatted properties attach a copy of the recorded deed or contract. Parcel in: T ______	R ______	Sec ______		
	As described in ______ County	Containing ______ acres			
Deed	Deed information ☐ Deed recorded in (year) ______	☐ Contract recorded in (year) ______			
	Document/instrument number	Microfilm number	Reel	Book/volume	Page
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—

☐ Application approved	Approved by (initials)	Date approved	☐ 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 2008. Include income earned in other states or countries. Your income eligibility is determined by Oregon law. Your household income must be less than $39,000 (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? ☐ Yes ☐ 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 property used as a rental? ☐ Yes ☐ 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 ($39,000 for 2008), 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	