



Guide to Reduced Rates and Utility Tax Rebate Application for **SENIORS AND PERSONS WITH DISABILITIES**



The City of Renton offers reduced rates for water, wastewater, surface water, and garbage (billed through Republic Services) for low-income seniors (61 and over), and low-income disabled persons. Qualified applicants are also eligible for a yearly utility tax rebate.

The current yearly combined income limit is \$58,423 per year. For more information or rate questions, contact Utility Billing Customer Service at 425-430-6852

BASIC QUALIFICATIONS

- Annual combined maximum household income of \$58,423 from all sources
- Own and occupy the property as your principal residence or occupy the property as a registered tenant receiving the monthly utility statement
- Over the age of 61 and/or are disabled (age irrelevant)

VERIFICATION

Documentation required in addition to the Reduced Rate/Tax Rebate Application:

- A current Washington State Driver's License or Washington State Identification Card
- A recent federal tax return and/or two (2) consecutive current bank statements showing monthly deposits
- Disability-Social Security Award Letter (under 61 applying in this category)
- For utility tax rebate only: a current utility bill for a Renton residence addressed to the applicant

FREQUENTLY ASKED QUESTIONS

INCOME

Why do you want my IRS tax return?

We use the IRS return as a starting point to calculate and verify your income and to determine your eligibility for reduced rates.

What if I do not file an IRS return?

We will still need verification of your income sources. We will request information such as bank deposits, 1099s, reverse mortgage information, social security statements or other year-end statements that provide information on how you pay your daily, monthly, and yearly expenses.



What do I do if I have no income or am extremely low income?

Even if you have no income, you are paying your expenses with some funding source. In many cases seniors use reverse mortgages, receive funds from their children or use savings accounts to pay their household expenses. While these sources are not considered “income” in the calculation of your disposable income, they are a source of funds, and you must report the source and the amount to us. It is acknowledged that there are inherent costs to living and maintaining a home. Items such as food, gas for the car and utilities are paid at the very least.

Why does my IRS return indicate that I am below \$58,423 yet I am still denied the discounted rate?

One reason may be that federal tax law is not the same as the requirements for the reduced rate program. While we use the IRS return as a starting point, we do consider other sources of income that federal law may not consider taxable.

Two examples of differences between federal IRS laws and reduced rate qualifications are:

- Under federal IRS laws, social security benefits may be completely excluded from your taxable income or may be considered partially taxable or fully taxable depending on your individual circumstances.

For the reduced rate program, we consider all your social security as income, so we must add back any amount that was excluded in the Adjusted Gross Income (AGI) calculation on your federal return.

- Under federal IRS laws, capital losses are an allowable deduction from any capital gains you may have from your investments.

FREQUENTLY ASKED QUESTIONS *continued*

For the reduced rate program, we do not allow any deductions of any capital losses. Capital gains are added to the AGI calculation without any loss deduction. Both items could result in your income exceeding the \$58,423 income limit for the reduced rate program even though the AGI on your tax return is below \$58,423.

RENEWALS

Will I need to reapply if I have already been approved for reduced rates?

You will be required to reapply for reduced rates every two years if the property is owner occupied and every year if you are a registered tenant in a rental property. We will send a renewal application when it is time for you to reapply. You will need to provide proof of identification, ownership, and income data when you return the renewal form.

What happens if I fail to respond to a renewal request?

If you fail to return your renewal form and the necessary documents, you will be removed from the program and you will begin paying the non-discounted service rate amount based on current published utility rates for the City of Renton. Rates will not be adjusted retroactively for renewal applications submitted and approved after the expiration date.

What happens if I only apply for a utility tax rebate?

Tax rebate only applications are required to be submitted every year between April 15 – June 15 of the current year. Rebates are calculated and issued to qualified applicants after June 30th. Residents currently receiving reduced rates are automatically issued a tax rebate.

MOVING

What if I move to another address in the City of Renton?



If you purchase a new home, condo or move to a new rental property, you will have to reapply and qualify for the discounted rates at the new property. Each address is treated individually, and discounts do not follow customers to a new location.

FREQUENTLY ASKED QUESTIONS *continued*

What happens if I have been on the program for several years and now do not qualify?

If your income goes over the \$58,423 limit, you are obligated to notify the city that you no longer qualify and must be removed from the program for the period you do not qualify. Your utility account will revert to regular non-discounted rates. However, you may reapply if your income returns to a level below the \$58,423.

What if I need assistance filing out the application or have questions about the documentation you require?

Please call our office at 425-430-6852. We have experienced staff ready and willing to assist you in completing your forms. They can also answer questions about which documents you should provide.

Once I have applied for reduced rates or a tax rebate, when will I hear from your office?

We will send an email or letter notifying you of the status of your application for reduced rates. Applications are processed the month they are received and if approved, you will see reduced charges on your monthly statement. Application for a tax rebate will not generate any communication but, if you meet the qualifications, a tax rebate check will be issued to you after June 30th of the current year.



If you meet all the basic qualifications, print, and complete an application available at: www.rentonwa.gov and follow the path from the home page: » CITY HALL » FINANCE » UTILITY BILLING » REDUCED RATES AND TAX REBATE.

Or call 425-430-6852 and we can mail or email an application for your convenience.