

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



Homestead/Senior Citizen/Disabled Property Benefit Cancellation Instructions

Use this form to notify the Homestead Unit of the Office of Tax and Revenue (OTR) that a property is no longer eligible to receive the Homestead, Senior Citizen or Disabled property benefit. Property that is not eligible for the Homestead Deduction is not eligible for the owner-occupant residential tax credit (assessment cap credit).

In the event a property loses eligibility for one or more of these benefits, the person who applied for the benefit or the current owner of the property must provide written notification to OTR's Homestead Unit within 30 days of the change in eligibility. Property can lose its eligibility for the Homestead, Senior Citizen or Disabled if the property or its owners fail to meet any of the applicable requirements. Loss of eligibility may result if the ownership changes or if the owner moves out of the property or loses District domicile. Please see OTR Tax Notice 2007-1 for guidance on eligibility for the Homestead Deduction and related real property tax relief programs.

If the tax is paid within 30 days of the corresponding bill, timely notification of loss of eligibility will preclude imposition of penalty and interest. If timely written notification is not made, a penalty of 10% of the delinquent tax and 1.5% interest on such tax for each month that the property wrongfully received the benefit(s) may be imposed.

If a property loses eligibility during the first half of the tax year (October 1-March 31), the benefit is generally rescinded for the full tax year. If loss of eligibility occurs during the second half of the tax year (April 1-September 30), the benefit generally will be rescinded for the second half of the year only. However, if property is transferred to a new owner who does not qualify for the Homestead Deduction, the Deduction shall be removed at the end of the half tax year during which the transfer occurred.

Property owners may not receive the Homestead Deduction on more than one lot. If you move to a new home, you should notify OTR's Homestead Unit to cancel the present homestead deduction and apply for the benefit for the new home. Notification is not necessary if the transferred property (your old home) qualified for the Homestead Deduction 30 days or less before the date of execution of the deed of transfer.

Household Income Limit for Senior Citizen/Disabled Benefit Property is not eligible for the Senior Citizen/Disabled benefit for a real property tax year (October 1-September 30) if household federal adjusted gross income exceeds the income threshold of \$125,000 (adjusted for inflation beginning with tax year 2015) in the prior income tax year. The household includes the grantor of a revocable trust who continues to reside in the property or the beneficiary of a special needs trust. To determine whether the income threshold is exceeded, the federal adjusted gross income of all members of the household (excluding tenants occupying the property under written leases for fair market value) is counted, using each member's federal income tax year which ended immediately prior to the beginning of the real property tax year for which the benefit is to be applied. For example, to determine eligibility for the real property tax year beginning October 1, 2015, the household members' federal adjusted gross income for the 2014 federal income tax year, which generally ends December 31, 2014, would be counted.

Domicile Only property owned and occupied by District domiciliaries can qualify for these benefits. If the owner/occupant no longer makes the District his or her permanent home, the property loses eligibility for benefits. Evidence that the District is the owner's permanent home, includes, as applicable, a DC driver's license/identification card, DC vehicle registration and DC voter registration. Withholding of DC income tax from salary or wages or filing a DC income tax return can also be evidence of domicile.

Change of Principal Residence If a property is no longer the principal place of residence in the District of its record owner or eligible trust beneficiary, the property loses eligibility for these benefits. A property rented to tenants and no longer occupied by the owner or trust beneficiary is not the principal residence of the owner.

Death of Owner If the record owner occupying the property dies, or the grantor of a revocable trust or the beneficiary of a special needs trust who resided in the property dies, the property loses eligibility for these benefits. The property will generally not qualify for any of these benefits until record title is placed in the name of an individual who resides in the property or an eligible trust, an application is filed and the property otherwise qualifies for the benefit.