

Arizona Property Tax Exemptions

All property in Arizona is subject to property taxation, unless specifically exempted under the laws of the United States or under the provisions of the Arizona Constitution and related statutes.

This publication provides a brief overview of the individual and organizational property tax exemptions that are available in Arizona. For additional information regarding the content herein, refer to the publication entitled [Property Tax Exemptions](#).

Administration of Property Tax Exemptions

Property tax exemptions are administered by the [County Assessor](#), who is responsible for processing and approving or disapproving property tax exemption applications, monitoring previously-approved exemptions, and discontinuing exemptions that are no longer warranted.

Application for Property Tax Exemption

To establish eligibility for property tax exemption, the claimant must sign and file an affidavit with the County Assessor when initially applying for the exemption. The following forms are available from the County Assessor for this purpose:

- *Affidavit of Individual Tax Exemption* (ADOR Form 82514)
- *Affidavit of Organizational Tax Exemption* (ADOR Form 82514A)
- *Affidavit of Veterans' Individual Tax Exemption* (ADOR Form 82514V)

Applications must be filed between the first Monday in January and March 1. Failure to submit an application between these dates constitutes a waiver of the exemption. Nevertheless, a waiver of exemption may be redeemed for certain taxpayers that fail to timely file an exemption application.

Once the exemption is approved by the County Assessor, the claimant is not required to submit an affidavit for subsequent years, but is required to inform the County Assessor of any event that disqualifies the property tax exemption. Even so, the County Assessor has authority to verify qualification for any exemption, and therefore may require annual or intermittent reapplication for property tax exemption.

Individual Property Tax Exemptions

The property of the following Arizona residents may be exempt from property taxation up to a certain dollar amount, which is adjusted annually to account for inflation:

- Person with a total and permanent disability
- Widow or Widower
- Honorably discharged veteran with a service or nonservice connected disability

Individual exemptions may be granted for only one of these categories at a time and are subject to certain limitations, such as an assessed property value maximum and a household income limit. These limitations, along with the maximum exemption amount, are adjusted annually to account for inflation. Accordingly, the claimant must compare their household income with the updated limitation each year and notify the County Assessor in writing if this limitation has been exceeded, which disqualifies the individual exemption. For current limitations, refer to the Department publication entitled [Annual Abstract of Published Rates and Amounts](#).

The dollar amount of the individual exemption is applied toward the property tax liability of the claimant's real estate first, and then toward any manufactured housing and/or vehicle. Because the exemption amount is limited each year, an individual exemption generally results in only a partial property tax exemption.

After being granted an individual exemption, the claimant is required to notify the County Assessor of any event that disqualifies the exemption. Disqualifying events include death of the claimant, remarriage of a widow or widower, change of household income that exceeds prescribed limits, and conveyance of the property to another owner. Other disqualifying events may apply.

For example, certain additional qualifications are applicable to claimants who have a disability.

Person with a Disability. To qualify for individual property tax exemption, a person with a disability must be certified as totally and permanently disabled by a licensed professional.¹ This is initially accomplished by filing with the County Assessor a certification (ADOR

¹ Chiropractor, physician (allopathic, homeopathic, osteopathic, naturopathic), physician assistant, psychologist, registered nurse practitioner (and the U.S. Department of Veterans Affairs for veterans).

Arizona Property Tax Exemptions

Form [82514B](#)), along with the initial affidavit of eligibility (ADOR Form 82514).

The total and permanent disability may be physical or mental, must result in an inability to engage in substantial gainful activity, and must be expected to last for a continuous period of 12 or more months or result in death within 12 months. Because of the 12-month duration requirement, the disability certification must be filed and approved every year, whether or not the County Assessor requires an annual affidavit of eligibility.

Veteran with a Disability. To qualify for individual property tax exemption, a veteran with a service or nonservice connected disability must verify the disability by filing with the County Assessor the initial affidavit of eligibility (ADOR Form 82514V). The County Assessor may require that a Veterans Administration (VA) *VA Benefit Summary Letter* accompany the initial affidavit. After being granted an exemption, if there is a change in the veteran's disability rating, as determined by the VA, the claimant should file an updated affidavit, including a copy of the updated *VA Benefit Summary Letter*.

A disabled veteran is eligible for a portion of the maximum exemption amount that is equal to the percentage of their disability, as set forth in the *VA Benefit Summary Letter*.

Organizational Property Tax Exemptions

The property of certain nonprofit associations, institutions, and organizations may be exempt from property taxation if the organization itself and the ownership and use of the organization's property qualify.

Qualification for Organizational Property Tax Exemption

Nonprofit Status. With few exceptions, to qualify for organizational exemption, the claimant must be a nonprofit entity. There are several ways to confirm nonprofit status, and specific requirements may vary by county. However, an entity can confirm its nonprofit status with the County Assessor by providing a letter of determination issued in the organization's name by the United States Internal Revenue Service and confirming the organization's federal tax-exempt status under section 501 of the Internal Revenue Code.

Property Ownership and Use. Generally, organizational property tax exemptions are subject to

requirements regarding ownership and use of the subject property. In short, such property must be owned by a nonprofit organization (e.g., religious organization) and used for a qualifying exempt purpose (e.g., religious worship). However, some organizational exemptions do not include a property-ownership requirement and can be granted based only upon a property-use requirement. Many properties in this category are leased to be used for a qualifying exempt purpose.

Property Valuation and Tax Relief Programs

There are several Arizona programs that appear similar to property tax exemptions, but which are more properly termed property valuation or tax relief programs.

For additional information regarding these programs, refer to the publication entitled [Property Tax Exemptions](#).

Additional State Aid for Education Program. Provides a rebate of school district taxes levied on owner-occupied residential property, as well as payment of primary property taxes that exceed constitutional limits.

Elderly Assistance Fund. Maricopa County only. Fund reduces primary school district taxes for individuals who are approved for the "Senior Freeze" program.

Residential Property Tax Deferral Program. Allows qualified taxpayers to defer payment of their property taxes for one taxable year, subject to numerous requirements and limitations.

Senior Citizen Program. The "Senior Freeze" program, officially known as the Property Valuation Protection Option, allows taxpayers who are qualified by age and income to have the assessed value of their primary residence fixed (i.e., "frozen") for a renewable period of three years.

Additional Information

The information provided herein is introductory only and is not meant to address the inherent complexity of the topics covered. In addition, due to flexibility provided for in statute, the deadlines, procedures, and requirements set forth herein may vary from county to county.

The Department of Revenue recommends contacting a property tax professional and the [County Assessor](#) of the county in which your property is located for more detailed information regarding these topics.