

**THIS IS THE ADOPTED RULE AND MAY BE USED TO DETERMINE TAX LIABILITY AND OR EXEMPTIONS UNTIL SUCH TIME AS THE CODIFIED VERSION IS AVAILABLE FROM THE CODE REVISER'S OFFICE.**

AMENDATORY SECTION (Amending WSR 94-07-066, filed 3/14/94, effective 4/14/94)

**WAC 458-19-065** (~~((One hundred six percent))~~) **Levy limit--Protection of future levy capacity.** (1) **Introduction.** This rule explains what occurs when a taxing district levies taxes in an amount less than the maximum allowed under the levy limit for any year and how future levies of the district will be calculated.

(2) **Use of maximum lawful levy amount.** In any year when a taxing district other than the state levies taxes in an amount less than the maximum amount allowed by the (~~one hundred six percent~~) levy limit, whether voluntarily or as a result of the operation of the statutory aggregate dollar rate limit or constitutional one percent limit reducing or eliminating the taxing district's levy rate, the (~~one hundred six percent~~) levy limit for succeeding years after 1985 will be calculated as though the maximum lawful levy amount allowed by the (~~one hundred six percent~~) levy limit or the taxing district's statutory dollar rate limit had been levied.

(~~((2))~~) (3) **Examples.**

(~~((a)-(c))~~) These examples do not include any amounts for new construction, improvements to property, or increases in the value of state assessed property. (~~((+))~~)

(a) In (~~((1993))~~) 2001, the highest amount of regular property taxes that could have been lawfully levied by taxing district "A" as restricted by the (~~one hundred six percent~~) levy limit was \$100,000. But in (~~((1993))~~) 2001 taxing district "A" is otherwise limited by the statutory aggregate dollar rate limit to a maximum levy of \$95,000. The (~~one hundred six percent~~) levy limit for the (~~((1994))~~) 2002 levy will be calculated on the basis of what could have been the highest levy amount (~~for 1994~~) since 1985, that is \$100,000 (~~(( $\times 1.06 = \$106,000$ ; not  $\$95,000 \times 1.06 = \$100,700$ ))~~) multiplied by the limit factor. The amount actually levied in (~~((1993))~~) 2001 is not controlling.

(b) (~~((In this same))~~) Using the same basic facts from the previous example, if the levy amount of district "A" had been limited by the statutory dollar rate limit in (~~((1993))~~) 2001 to \$95,000, and \$95,000 was the highest amount of regular property taxes that could have been lawfully levied since 1985, then the (~~one hundred six percent~~) levy limit for (~~((1994 would))~~) 2002 will be

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calculated on the basis of \$95,000, that is \$95,000 (~~\* 1.06 = \$100,700~~) multiplied by the limit factor.