

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 Order PT 82-2, filed 2/19/82)

WAC 458-19-550 State levy--Apportionment between counties. (~~(1)~~ The department of revenue is empowered by statute to formulate such rules and processes as will ensure the equalization of taxation and uniformity of administration of the property tax laws of this state. The department is further directed to apportion the amount of the state property tax levy among the counties in proportion to the equalized value of taxable property in each county in order that each county shall pay its due and just proportion of the state tax. The application of the 106 percent limit to the state levy necessitates reasonable measures by the department to achieve the statutory requirement of just apportionment. This rule provides for adjustment in the apportionment of the next following year state levy when changes in property values are effected, in the manner described below, after the certification of the state levy by the department for the previous year. This rule also provides for adjustment for errors as defined herein which are not otherwise correctable in a timely and orderly manner in the year of levy through the exercise or enforcement of the department's supervisory powers. This rule shall be applied in the manner provided below to preserve an equitable and uniform apportionment of the state levy and to ensure the collection of the proper portion of the state levy from within each county.

~~(2)~~ The levy rate for the state property tax levy is the lesser of (a) \$3.60 per thousand dollars of the full true and fair value of the taxable property in the state, or (b) that rate which, when applied to the valuation figures specified in (3) below, will produce a total amount equal to one hundred and six percent of the base amount, i.e., of the highest state tax levy of the most recent three annual state levies, plus an amount calculated by multiplying the value of a new construction, improvements to real property, and increases in the value of centrally assessed property as determined by the department of revenue, by the levy rate of the state tax applicable in the year prior to the current year for which the tax levy is being computed.

~~(3)~~ When determining the amount of the state levy with reference to the calculations under (b) above, the dollar amount apportioned to each county shall be computed based upon these valuation figures made available to the

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~~department by each county by October 1 of the levy year. If the use of certification of the counties' assessed values for state levy purposes results in an erroneous apportionment among the counties by reason of changes or errors in valuation within a county, the department of revenue shall adjust the following year's levy apportionment to correct for such changes or errors. Such adjustment shall continue in effect until implemented by the appropriate county officials, and the department shall utilize the powers contained in chapter 84.08 RCW to assure such implementation. For purposes of this rule a change in valuation shall include any adjustment effected by a reviewing body (county board of equalization, state board of tax appeals, or court of competent jurisdiction) and may also include additions of omitted property and other additions to or deletions from the assessment and tax rolls. Errors for purposes of adjustments under this rule shall include errors corrected by a final reviewing body and such other errors which have come to the attention of the department and which would otherwise be a subject for correction in the exercise of its supervisory powers.~~

~~(4) Correction required by reason of changes or errors relating to that valuation used in apportioning the current levy shall be made by adjusting the apportionment of the next following year's levy. The department shall recompute the apportionment of the previous year's levy with reference to taxable values corrected for changes and errors and equalized to true and fair value for such previous year's levy. Each county's apportioned amount for the current year's state levy shall be adjusted by the difference between the dollar amounts of state levy due from each county as shown by the original and revised levy computations for the previous year.~~

~~(5) Nothing in this rule shall relieve a county from its obligation to correct any error immediately upon discovery, including the calculation of an erroneous rate or the levy of an incorrect amount of tax, when such correction may be timely made to avoid distortion in the true apportionment of the state levy between counties.)~~

(1) **Introduction.** The department is charged with levying the state taxes authorized by law. As part of this task, the department apportions the amount of tax levied for state purposes among the counties in proportion to the value of taxable property in each county for the year to ensure that each county pays its due and just share of the

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state tax. This rule explains how the state property tax levy rate is determined, how the department adjusts the previous year's apportionment because of changes and errors in taxable values reported to the department after October 1 of the preceding year, and how the limit factor set forth in RCW 84.55.010 is applied to the state levy.

(2) **Calculation of state levy rate.** The levy rate for the state property tax levy is the lesser of:

(a) \$3.60 per thousand dollars of the full true and fair value of the taxable property in the state; or

(b) The rate that, when applied to the valuation figures specified in subsection (3) of this rule, will produce a total amount equal to the levy limit set forth in RCW 84.55.010. This levy limit equals the limit factor multiplied by the highest state property tax levy of the most recent three annual state levies, plus an amount calculated by multiplying increases in value due to new construction, improvements to real property, and the increase in value of state-assessed property by the state levy rate applicable in the year prior to the current year for which the tax levy is being computed.

(3) **Apportionment between the counties - Adjustment for changes or errors.** When determining the amount of the state levy using the calculations set forth in subsection (2)(b) above, the dollar amount apportioned to each county is based upon the valuation figures reported to the department by each county by October 1 of the levy year. If use of the counties' certified assessed values for state levy purposes causes an erroneous apportionment among the counties because of later changes or later-identified errors in valuation within a county, the department will adjust the following year's levy apportionment to reflect these changes and the corrections for these errors.

(a) For purposes of this rule, a change in taxable value includes any final adjustment made by a reviewing body (county board of equalization, state board of tax appeals, or court of competent jurisdiction) and may also include additions of omitted property, other additions to or deletions from the assessment or tax rolls, any assessment return submitted by a county to the department subsequent to December 1st, or a change in the indicated ratio of a county.

(b) Errors requiring adjustments under this rule include errors corrected by a final reviewing body or any other error that may have come to the department's

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attention and would otherwise be a subject for correction in the exercise of its supervisory powers.

(4) **Changes or errors in current levy - Adjust apportionment for the following year's levy.** If there are any changes or errors relating to the values used in apportioning the current levy, the apportionment for the following year's levy will be adjusted. For purposes of this apportionment, the department will recalculate the previous year's levy and the apportionment thereof to correct any changes or errors in taxable values reported to the department after October 1 of the preceding year. The department will adjust the apportioned amount of the current year's state levy for each county by the difference between the dollar amounts of state levy due from each county as shown by the original and revised levy computations for the previous year.

(5) **County required to correct any error upon discovery.** Nothing in this rule relieves a county from its obligation to correct any error immediately upon discovery when the correction may be timely made to avoid distortion in the true apportionment of the state levy between counties.