

# Chapter 19

## Real Estate Excise Tax

## 82.45.010(3)(a) - Transfers by gift, devise, or inheritance

**Description** Transfers of real property by gift, inheritance, or device (a will) are not subject to state or local real estate excise tax (REET).

**Purpose** Gifted, inherited, or willed transfers of real property are not sales. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings** (\$ in millions):

|             | FY 2024  | FY 2025  | FY 2026   | FY 2027   |
|-------------|----------|----------|-----------|-----------|
| State Taxes | \$82.800 | \$96.300 | \$105.300 | \$126.800 |
| Local Taxes | \$34.900 | \$39.500 | \$44.600  | \$54.400  |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025  | FY 2026   | FY 2027   |
|-------------|---------|----------|-----------|-----------|
| State Taxes | \$0.000 | \$86.700 | \$105.300 | \$126.800 |
| Local Taxes | \$0.000 | \$35.600 | \$44.600  | \$54.400  |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(a) - Transfers by gift, devise, or inheritance

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**Additional  
Information**

| <b>Additional Information</b> |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1951   |
| <b>Primary Beneficiaries:</b> | Persons acquiring real estate through a gift, devise, or inheritance |
| <b>Taxpayer Count:</b>        | 24,457   |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Full review completed in 2011 with an upcoming review in 2024        |

## 82.45.010(3)(b) - Transfer on death deeds

**Description** Transfers of real property through a transfer on death deed are not subject to state or local real estate excise tax.

**Purpose** Provides another mechanism for tax-free transfers of real property to a beneficiary upon death by excluding transfer by transfer on death deed from the definition of sales.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$1.000 | \$1.100 | \$1.210 | \$1.450 |
| Local Taxes | \$0.500 | \$0.500 | \$0.600 | \$0.700 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.990 | \$1.210 | \$1.450 |
| Local Taxes | \$0.000 | \$0.500 | \$0.600 | \$0.700 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(b) - Transfer on death deeds

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### Additional Information

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 2014   |
| <b>Primary Beneficiaries:</b> | Persons acquiring real estate through a death deed |
| <b>Taxpayer Count:</b>        | 310  |
| <b>Program Inconsistency:</b> | None evident                                       |
| <b>JLARC Review:</b>          | Expedited review scheduled in 2024                 |

## 82.45.010(3)(c) - Leasehold interest transfers

**Description** Leasing, subleasing, or renting real property is not subject to state or local real estate excise tax.

**Purpose** Leasing or renting real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$6.000 | \$7.000 | \$7.600 | \$9.200 |
| Local Taxes | \$2.200 | \$2.500 | \$2.800 | \$3.400 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$6.300 | \$7.600 | \$9.200 |
| Local Taxes | \$0.000 | \$2.200 | \$2.800 | \$3.400 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(c) - Leasehold interest transfers

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### Additional Information

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1951   |
| <b>Primary Beneficiaries:</b> | Persons clearing title on real estate with a recorded long-term leasehold interest |
| <b>Taxpayer Count:</b>        | 881  |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Full review completed in 2011 with an upcoming review in 2024                      |

## 82.45.010(3)(d) - Forfeiture of interest in sale of real property

**Description** Transfers of real property because of debt proceedings such as a foreclosure are not subject to state or local real estate excise tax.

**Purpose** Transferring debt on real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.100 | \$0.200 | \$0.170 | \$0.210 |
| Local Taxes | \$0.100 | \$0.100 | \$0.100 | \$0.100 |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.140 | \$0.170 | \$0.210 |
| Local Taxes | \$0.000 | \$0.100 | \$0.100 | \$0.100 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data



## 82.45.010(3)(d) - Forfeiture of interest in sale of real property

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### Additional Information

| Additional Information        |   |
|-------------------------------|---|
| <b>Category:</b>              | Other   |
| <b>Year Enacted:</b>          | 1955  |
| <b>Primary Beneficiaries:</b> | Persons recording a forfeiture of interest in sale of real property |
| <b>Taxpayer Count:</b>        | 46  |
| <b>Program Inconsistency:</b> | None evident  |
| <b>JLARC Review:</b>          | Expedited review completed in 2017                                  |

## 82.45.010(3)(e) - Partition by tenants in common

**Description** Transferring parts of real property between multiple owners of the same property is not subject to state or local real estate excise tax.

**Purpose** Transfers between owners of the same property are not sales. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$2.700 | \$3.100 | \$3.420 | \$4.120 |
| Local Taxes | \$1.000 | \$1.200 | \$1.300 | \$1.600 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$2.810 | \$3.420 | \$4.120 |
| Local Taxes | \$0.000 | \$1.100 | \$1.300 | \$1.600 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(e) - Partition by tenants in common

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**Additional  
Information**

| <b>Additional Information</b> |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1955   |
| <b>Primary Beneficiaries:</b> | Persons recording a partition or real estate held by tenants in common |
| <b>Taxpayer Count:</b>        | 541  |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Full review completed in 2011 with an upcoming review in 2024          |

## 82.45.010(3)(f) - Assignment of property through divorce

**Description** Transfers of real property to a spouse or domestic partner because of divorce, annulment, legal separation, termination of domestic partnership, or property settlement proceedings are not subject to state or local real estate excise tax.

**Purpose** Transferring real property because of divorce, annulment, legal separation, termination of domestic partnership, or property settlement proceeding is not a sale. REET is imposed on arm's-length purchases of real estate in situations where the purchase price reflects the market price. Arm's-length transactions are generally characterized as voluntary sales in an open market involving parties with equal bargaining power, which is not the case with a court ordered transfer to a spouse or domestic partner.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024  | FY 2025  | FY 2026  | FY 2027   |
|-------------|----------|----------|----------|-----------|
| State Taxes | \$71.400 | \$83.200 | \$87.300 | \$104.500 |
| Local Taxes | \$33.000 | \$37.500 | \$40.500 | \$49.000  |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025  | FY 2026  | FY 2027   |
|-------------|---------|----------|----------|-----------|
| State Taxes | \$0.000 | \$74.900 | \$87.300 | \$104.500 |
| Local Taxes | \$0.000 | \$33.800 | \$40.500 | \$49.000  |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

## 82.45.010(3)(f) - Assignment of property through divorce

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- Data Sources**
- Department of Revenue, Real estate excise tax data
  - Department of Revenue, Estimated future property values
  - County property rolls
  - Economic and Revenue Forecast Council, March 2023 forecast
  - Office of Financial Management, Designated rural counties as of April 1, 2022
  - Bureau of Labor Statistics, Consumer price index for shelter data
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**Additional Information**

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1955   |
| <b>Primary Beneficiaries:</b> | Persons recording an assignment of property through divorce, property settlement |
| <b>Taxpayer Count:</b>        | 21,262   |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Expedited review completed in 2020   |

## 82.45.010(3)(g) - Transfer of vendor's interest

**Description** Transferring the mortgage interest in a real property to a new mortgage vendor is not subject to state or local real estate excise tax.

**Purpose** Transferring the mortgage of a real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.346 | \$0.402 | \$0.435 | \$0.520 |
| Local Taxes | \$0.161 | \$0.182 | \$0.205 | \$0.248 |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.360 | \$0.435 | \$0.520 |
| Local Taxes | \$0.000 | \$0.164 | \$0.205 | \$0.248 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(g) - Transfer of vendor's interest

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### Additional Information

| Additional Information        |   |
|-------------------------------|---|
| <b>Category:</b>              | Other   |
| <b>Year Enacted:</b>          | 1951  |
| <b>Primary Beneficiaries:</b> | Persons recording an assignment/transfer of vendor's interest in a contract |
| <b>Taxpayer Count:</b>        | 142   |
| <b>Program Inconsistency:</b> | None evident  |
| <b>JLARC Review:</b>          | Expedited review scheduled in 2024  |

## 82.45.010(3)(h) - Condemnation proceedings

**Description** Transfers of real property to a governmental body because of a forced sale are not subject to state or local real estate excise tax.

**Purpose** Transferring real property through "eminent domain" or condemnation proceedings is not a sale. REET is imposed on arm's-length purchases of real estate in situations where the purchase price reflects the market price. Arm-length transactions are generally characterized as voluntary sales in an open market involving parties with equal bargaining power, which is not the case with a forced sale to a governmental body.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024  | FY 2025  | FY 2026  | FY 2027  |
|-------------|----------|----------|----------|----------|
| State Taxes | \$10.100 | \$11.800 | \$12.900 | \$15.100 |
| Local Taxes | \$2.500  | \$2.800  | \$3.200  | \$3.800  |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025  | FY 2026  | FY 2027  |
|-------------|---------|----------|----------|----------|
| State Taxes | \$0.000 | \$10.600 | \$12.900 | \$15.100 |
| Local Taxes | \$0.000 | \$2.500  | \$3.200  | \$3.800  |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data



## 82.45.010(3)(h) - Condemnation proceedings

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**Additional  
Information**

| <b>Additional Information</b> |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1951   |
| <b>Primary Beneficiaries:</b> | Persons recording an assignment because of a condemnation proceeding |
| <b>Taxpayer Count:</b>        | 618  |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Expedited review scheduled in 2024                                   |

## 82.45.010(3)(i) - Transfer of interest to secure debt

**Description** Transfers of interest in real property by acquiring a second mortgage or the sale of a mortgage is not subject to state or local real estate excise tax.

**Purpose** Transferring the interest in real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.024 | \$0.027 | \$0.030 | \$0.037 |
| Local Taxes | \$0.011 | \$0.013 | \$0.014 | \$0.018 |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.024 | \$0.030 | \$0.037 |
| Local Taxes | \$0.000 | \$0.011 | \$0.014 | \$0.018 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. Only seven counties reported these transactions so there is no estimated impact for the three counties not reporting REET data electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(i) - Transfer of interest to secure debt

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**Additional  
Information**

| <b>Additional Information</b> |   |
|-------------------------------|---|
| <b>Category:</b>              | Other   |
| <b>Year Enacted:</b>          | 1951  |
| <b>Primary Beneficiaries:</b> | Persons recording a transfer of interest to secure debt |
| <b>Taxpayer Count:</b>        | 10  |
| <b>Program Inconsistency:</b> | None evident  |
| <b>JLARC Review:</b>          | Expedited review completed in 2017                      |

## 82.45.010(3)(j) - Foreclosure; deeds in lieu of foreclosure

**Description** Transfers of real property due to a foreclosure are not subject to state or local real estate excise tax.

**Purpose** Transferring real property through foreclosure is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$2.080 | \$2.420 | \$2.650 | \$3.160 |
| Local Taxes | \$0.940 | \$1.060 | \$1.200 | \$1.470 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$2.170 | \$2.650 | \$3.160 |
| Local Taxes | \$0.000 | \$0.960 | \$1.200 | \$1.470 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(j) - Foreclosure; deeds in lieu of foreclosure

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### Additional Information

| Additional Information        |   |
|-------------------------------|---|
| <b>Category:</b>              | Other   |
| <b>Year Enacted:</b>          | 1953  |
| <b>Primary Beneficiaries:</b> | Persons recording a transfer for foreclosure and deeds in lieu of foreclosure |
| <b>Taxpayer Count:</b>        | 1,018   |
| <b>Program Inconsistency:</b> | None evident  |
| <b>JLARC Review:</b>          | Expedited review completed in 2017  |

## 82.45.010(3)(k) - Mortgage insurers

**Description** Transfers of real property from a mortgage lender to the Veterans Administration or Federal Housing Authority are not subject to state or local real estate excise tax.

**Purpose** Transferring the interest in a property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.010 | \$0.011 | \$0.013 | \$0.015 |
| Local Taxes | \$0.005 | \$0.005 | \$0.006 | \$0.007 |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.010 | \$0.013 | \$0.015 |
| Local Taxes | \$0.000 | \$0.005 | \$0.006 | \$0.007 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. Only five counties reported these transactions so there is no estimated impact for the three counties not reporting REET data electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(k) - Mortgage insurers

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### Additional Information

| Additional Information |   |
|------------------------|---|
| Category:              | Other   |
| Year Enacted:          | 1953  |
| Primary Beneficiaries: | Persons recording a transfer for a mortgage insurer |
| Taxpayer Count:        | 5   |
| Program Inconsistency: | None evident  |
| JLARC Review:          | Expedited review completed in 2017                  |

## 82.45.010(3)(I) - Transfer where REET already paid or lease/contract began prior to 1951

**Description** Transfers of real property for which REET taxes have already been paid or through a lease that began prior to 1951 are not subject to state or local real estate excise tax.

**Purpose** Transferring real property as a 99-year lease is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Repeal of exemption**

Repealing this exemption would not increase revenues because currently no taxpayers use it.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Assumptions**

No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources**

Department of Revenue, Real estate excise tax data

**Additional Information**

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1951   |
| <b>Primary Beneficiaries:</b> | Persons recording a transfer where REET was already paid or lease/contract began prior to 1951 |
| <b>Taxpayer Count:</b>        | 0  |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Full review completed in 2011 with a scheduled review in 2024                                  |



## 82.45.010(3)(m) - Grave or cemetery lot sale

**Description** Transferring real property by selling a cemetery lot is not subject to state or local real estate excise tax.

**Purpose** Transferring real property as a cemetery lot is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price. It would be difficult to decide on a market price for such a small portion of real property.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.165 | \$0.170 | \$0.175 | \$0.181 |
| Local Taxes | \$0.075 | \$0.077 | \$0.080 | \$0.082 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.156 | \$0.175 | \$0.181 |
| Local Taxes | \$0.000 | \$0.071 | \$0.080 | \$0.082 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the industry revenue for cemeteries and crematoria growth rate reflected in the Statista data.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Licensing, Cemetery endowment care annual report
- Statista, Industry revenues for cemeteries and crematoria for 2012 through 2024

**Additional Information**

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1951   |
| <b>Primary Beneficiaries:</b> | Persons recording a transfer for grave or cemetery lot sales |
| <b>Taxpayer Count:</b>        | 72   |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Expedited review completed in 2023                           |

## 82.45.010(3)(n) - Governmental transfers

**Description** Real property sold by the federal, state, or local government is not subject to state or local real estate excise tax.

**Purpose** Governments are exempt from most taxes because this just transfers funds between jurisdictions. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024  | FY 2025  | FY 2026  | FY 2027  |
|-------------|----------|----------|----------|----------|
| State Taxes | \$32.700 | \$38.000 | \$41.600 | \$49.700 |
| Local Taxes | \$6.800  | \$7.700  | \$8.700  | \$10.700 |

**Repeal of exemption**

Repealing this exemption would increase revenues; however, the federal government is constitutionally exempt from almost all state taxes.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025  | FY 2026  | FY 2027  |
|-------------|---------|----------|----------|----------|
| State Taxes | \$0.000 | \$34.300 | \$41.600 | \$49.700 |
| Local Taxes | \$0.000 | \$7.000  | \$8.700  | \$10.700 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(n) - Governmental transfers

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**Additional  
Information**

| <b>Additional Information</b> |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 1951   |
| <b>Primary Beneficiaries:</b> | Persons recording a governmental transfer                  |
| <b>Taxpayer Count:</b>        | 1,194  |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Full review completed in 2011 with upcoming review in 2025 |

## 82.45.010(3)(o) - Sales to regional transit authorities

**Description** Transfers of real property to a regional transit authority through a sale and leaseback arrangement are not subject to state or local real estate excise tax. Regional transit authorities may sell facilities and then lease them back from the investor.

**Purpose** Transferring real property for the purpose of leasing it back is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Repeal of exemption**

Repealing this exemption would not increase revenues because currently no taxpayers use it.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Assumptions**

No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources**

Department of Revenue, Real estate excise tax data

**Additional Information**

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 2000   |
| <b>Primary Beneficiaries:</b> | Persons recording a sale to a regional transit authority |
| <b>Taxpayer Count:</b>        | 0  |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Expedited review completed in 2020                       |

## 82.45.010(3)(p) - No change in beneficial owner

**Description** Transfers of real property that are a mere change in form of ownership are exempt from the state and local real estate excise tax. Such transfers include those of a business wholly owned by the person making the transfer and his or her family members, provided there is no change in beneficial ownership as a result of the transfer.

**Purpose** To allow the tax-free transfer of property to a business entity in circumstances where the transferor or transferors are closely related and receive ownership interests in the entity in the same proportion as their ownership in the real property.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024   | FY 2025   | FY 2026   | FY 2027   |
|-------------|-----------|-----------|-----------|-----------|
| State Taxes | \$209.600 | \$243.800 | \$266.600 | \$313.500 |
| Local Taxes | \$77.300  | \$87.300  | \$98.700  | \$113.500 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025   | FY 2026   | FY 2027   |
|-------------|---------|-----------|-----------|-----------|
| State Taxes | \$0.000 | \$219.600 | \$266.600 | \$313.500 |
| Local Taxes | \$0.000 | \$78.700  | \$98.700  | \$113.500 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(p) - No change in beneficial owner

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### Additional Information

| Additional Information |   |
|------------------------|---|
| Category:              | Other   |
| Year Enacted:          | 1993  |
| Primary Beneficiaries: | Persons recording a sale with no change in beneficial owner |
| Taxpayer Count:        | 21,231  |
| Program Inconsistency: | None evident  |
| JLARC Review:          | Expedited review scheduled in 2025                          |

## 82.45.010(3)(q) - IRS transfers

**Description** Transferring real property to form, liquidate, or reorganize a corporation or partnership is not subject to state or local real estate excise tax. This only applies to real property transfers that qualify as a nonrecognition of gain or loss transaction under the Internal Revenue Code.

**Purpose** Transferring real property to form, liquidate, or reorganize a corporation or partnership is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024  | FY 2025  | FY 2026  | FY 2027  |
|-------------|----------|----------|----------|----------|
| State Taxes | \$32.310 | \$37.580 | \$41.120 | \$48.660 |
| Local Taxes | \$7.210  | \$8.150  | \$9.210  | \$10.970 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025  | FY 2026  | FY 2027  |
|-------------|---------|----------|----------|----------|
| State Taxes | \$0.000 | \$33.860 | \$41.120 | \$48.660 |
| Local Taxes | \$0.000 | \$7.340  | \$9.210  | \$10.970 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(q) - IRS transfers

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**Additional  
Information**

| <b>Additional Information</b> |   |
|-------------------------------|---|
| <b>Category:</b>              | Other   |
| <b>Year Enacted:</b>          | 1993  |
| <b>Primary Beneficiaries:</b> | Persons recording a sale because of IRS transfers |
| <b>Taxpayer Count:</b>        | 750   |
| <b>Program Inconsistency:</b> | None evident                                      |
| <b>JLARC Review:</b>          | Expedited review scheduled in 2024                |



## 82.45.010(3)(r) - Manufactured home communities

**Description** A qualified sale of a manufactured or mobile home community that takes place before January 1, 2030, is not subject to state or local real estate excise tax.

**Purpose** Encourage and facilitate the preservation of existing manufactured home communities.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.093 | \$0.108 | \$0.119 | \$0.143 |
| Local Taxes | \$0.024 | \$0.027 | \$0.031 | \$0.037 |

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.097 | \$0.119 | \$0.143 |
| Local Taxes | \$0.000 | \$0.025 | \$0.031 | \$0.037 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. Only four counties reported these transactions so there is no estimated impact for the three counties not reporting REET data electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(r) - Manufactured home communities

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### Additional Information

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Other  |
| <b>Year Enacted:</b>          | 2008   |
| <b>Primary Beneficiaries:</b> | Persons recording a sale involving a manufactured home community |
| <b>Taxpayer Count:</b>        | 3  |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Full review completed in 2017                                    |

## 82.45.010(3)(s) - Low-income housing

**Description** Transfers of real property by an organization that was allocated federal low-income housing tax credits are not subject to state or local real estate excise tax.

**Purpose** To support the development of affordable housing projects.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$5.400 | \$6.300 | \$7.000 | \$8.300 |
| Local Taxes | \$1.100 | \$1.300 | \$1.500 | \$1.800 |

**Repeal of exemption** Repealing this credit would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$5.700 | \$7.000 | \$8.300 |
| Local Taxes | \$0.000 | \$1.200 | \$1.500 | \$1.800 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. For the three counties not reporting REET data electronically, this estimate assumes transactions similar to the urban or rural counties that report electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(s) - Low-income housing

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### Additional Information

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Business   |
| <b>Year Enacted:</b>          | 2018   |
| <b>Primary Beneficiaries:</b> | Persons receiving federal low-income housing tax credits |
| <b>Taxpayer Count:</b>        | 70   |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | No review completed                                      |

## 82.45.010(3)(t) - Housing for developmentally disabled persons

**Description** Transfers of real property by a legal representative of a person with developmental disabilities to a qualified entity that provides residential supported living for persons with developmental disabilities are not subject to state or local real estate excise tax.

**Purpose** To expand housing opportunities for persons with developmental disabilities.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Repeal of exemption** Repealing this exemption would not increase revenues because currently no taxpayers use it.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Assumptions** No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources** Department of Revenue, Real estate excise tax data

**Additional Information**

| Additional Information        |   |
|-------------------------------|---|
| <b>Category:</b>              | Business  |
| <b>Year Enacted:</b>          | 2018  |
| <b>Primary Beneficiaries:</b> | Those transferring property as a legal representative of a person with developmental disabilities |
| <b>Taxpayer Count:</b>        | 0   |
| <b>Program Inconsistency:</b> | None evident  |
| <b>JLARC Review:</b>          | No review completed   |

## 82.45.010(3)(u) - Self-help housing

**Description** The sale of self-help housing by an affordable homeownership facilitator to a low-income household is not subject to state or local real estate excise tax.

**Purpose** Encourage the continued development of self-help housing.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.017 | \$0.020 | \$0.021 | \$0.025 |
| Local Taxes | \$0.008 | \$0.009 | \$0.011 | \$0.013 |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.017 | \$0.021 | \$0.025 |
| Local Taxes | \$0.000 | \$0.008 | \$0.011 | \$0.013 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. Only three counties reported these transactions so there is no estimated impact for the three counties not reporting REET data electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.010(3)(u) - Self-help housing

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### Additional Information

| Additional Information |                                       |
|------------------------|---------------------------------------|
| Category:              | Business                              |
| Year Enacted:          | 2019                                  |
| Primary Beneficiaries: | Affordable homeownership facilitators |
| Taxpayer Count:        | 7                                     |
| Program Inconsistency: | None evident                          |
| JLARC Review:          | No review completed                   |

## 82.45.010(3)(v) - Entities using property for low income housing

**Description** Transfers of real property to a qualifying grantee who uses the property for low-income housing and qualifies for certain real and personal property tax exemptions are not subject to state or local real estate excise tax.

**Purpose** To increase the availability of affordable housing for low-income persons.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.649 | \$0.754 | \$0.826 | \$0.926 |
| Local Taxes | \$0.182 | \$0.236 | \$0.266 | \$0.254 |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.680 | \$0.826 | \$0.926 |
| Local Taxes | \$0.000 | \$0.213 | \$0.266 | \$0.254 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The department electronically receives transaction-level REET data from 36 counties. No estimates are made for the three counties not reporting data electronically.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.

**Data Sources**

- Department of Revenue, Real estate excise tax data
- Department of Revenue, Estimated future property values
- County property rolls
- Economic and Revenue Forecast Council, March 2023 forecast
- Office of Financial Management, Designated rural counties as of April 1, 2022
- Bureau of Labor Statistics, Consumer price index for shelter data



## 82.45.010(3)(v) - Entities using property for low income housing

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### Additional Information

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Nonprofit  |
| <b>Year Enacted:</b>          | 2022   |
| <b>Primary Beneficiaries:</b> | Persons transferring real property to a qualifying grantee that uses the property for low-income housing |
| <b>Taxpayer Count:</b>        | 29   |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | No review completed  |

## 82.45.030(3) - Foreclosure relocation assistance

**Description** For real estate excise tax (REET) purposes, "total consideration paid" does not include any outstanding lien or encumbrances in favor of a governmental body or any relocation assistance provided during a foreclosure.

**Purpose** REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price. Governmental liens and relocation assistance are not part of the market price of a property.

**Taxpayer savings** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Repeal of exemption** Repealing this exemption would not increase revenues because currently no taxpayers use it.

**Potential revenue gains from full repeal** (\$ in millions):

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Assumptions** No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources** Department of Revenue, Real estate excise tax data

**Additional Information**

| Additional Information        |   |
|-------------------------------|---|
| <b>Category:</b>              | Other   |
| <b>Year Enacted:</b>          | 1951  |
| <b>Primary Beneficiaries:</b> | Persons with outstanding liens in favor of a governmental body or those provided relocation assistance during a foreclosure |
| <b>Taxpayer Count:</b>        | 0   |
| <b>Program Inconsistency:</b> | None Evident  |
| <b>JLARC Review:</b>          | Expedited review completed in 2017  |

## 82.45.190 - Second Narrows Bridge

**Description** Provides a real estate excise tax exemption for the transfer of state route 16 corridor transportation systems and facilities constructed under a public-private transportation initiative.

**Purpose** As originally planned, this exemption enabled the transfer of the newly constructed second bridge at the Tacoma Narrows to the private operator of the bridge without incurring real estate excise tax. More broadly, this exemption applies to any sale of transportation systems and facilities along the state route 16 corridor, including capital improvements and additions to the corridor's infrastructure, roads, bridges, equipment, park and ride lots, transit stations, transportation management systems, and other related transportation investments.

**Taxpayer savings**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Repeal of exemption**

Repealing this exemption would not increase revenues because currently no taxpayers use it.

**Potential revenue gains from full repeal**

*(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

**Assumptions**

No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources**

Department of Revenue, Real estate excise tax data

**Additional Information**

| Additional Information        |   |
|-------------------------------|---|
| <b>Category:</b>              | Tax base                                  |
| <b>Year Enacted:</b>          | 1998                                      |
| <b>Primary Beneficiaries:</b> | Private operator of second Narrows Bridge |
| <b>Taxpayer Count:</b>        | 0   |
| <b>Program Inconsistency:</b> | None evident                              |
| <b>JLARC Review:</b>          | Expedited review completed in 2017        |

## 82.45.195 - Standing timber

**Description** Sales of timber harvested within 30 months of a severance contract are exempt from the state or local real estate excise tax.

**Purpose** Providing tax relief to the wood products industry.

**Taxpayer savings** *(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$1.950 | \$2.310 | \$2.540 | \$3.580 |
| Local Taxes | \$0.510 | \$0.580 | \$0.650 | \$0.790 |

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** *(\$ in millions):*

|             | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$2.080 | \$2.540 | \$3.580 |
| Local Taxes | \$0.000 | \$0.520 | \$0.650 | \$0.790 |

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate for REET transactions mirrors the REET growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Growth rate for B&O tax mirrors the B&O growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Property sales price growth mirrors the five-year compound annual growth for existing property values by county.
- Local revenue estimates use the statewide average local REET rate of 0.479%.
- Taxpayers will save an estimated \$2.4 million in state REET but pay \$360,000 in B&O tax in fiscal year 2025.

**Data Sources**

- Department of Revenue, Excise tax data
- Department of Revenue, Estimated future property values
- Economic and Revenue Forecast Council, March 2023 forecast
- Bureau of Labor Statistics, Consumer price index for shelter data

## 82.45.195 - Standing timber

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### Additional Information

| Additional Information        |  |
|-------------------------------|--|
| <b>Category:</b>              | Business   |
| <b>Year Enacted:</b>          | 2007   |
| <b>Primary Beneficiaries:</b> | Those harvesting timber                                    |
| <b>Taxpayer Count:</b>        | 36   |
| <b>Program Inconsistency:</b> | None evident   |
| <b>JLARC Review:</b>          | Full review completed in 2016 with upcoming review in 2024 |