



# RULE-MAKING ORDER PERMANENT RULE ONLY

## CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: December 03, 2024  
TIME: 8:00 AM

WSR 24-24-089

**Agency:** Department of Revenue

**Effective date of rule:**

**Permanent Rules**

- 31 days after filing.
- Other (specify) January 1, 2025 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

- Yes  No If Yes, explain: The department is adopting these rules with an effective date of January 1st because, per statute, these rules provide rates used for refunds and property valuations during 2025.

**Purpose:** The department is amending:

WAC 458-18-220 to provide the rate of interest for treasury bill auction year 2024, which is used when refunding property taxes paid in 2025, as required by RCW 84.69.100.

WAC 458-30-262 to provide the interest rate and property tax component used when valuing classified farm and agricultural land during the 2025 assessment year, as required by RCW 84.34.065.

WAC 458-30-590 to provide the rate of inflation published in 2024, which is used in calculating interest for deferred special benefit assessments of land removed or withdrawn from classification during 2025, as required by RCW 84.34.310.

**Citation of rules affected by this order:**

- New:
- Repealed:
- Amended: WAC 458-18-220 Refunds – Rate of interest; 458-30-262 Agricultural land valuation – Interest rate – Property tax component; and 458-30-590 Rates of inflation – Publication – Interest rate – Calculation.
- Suspended:

**Statutory authority for adoption:** RCW 84.34.065, 84.34.141, 84.34.360, and 84.69.100.

**Other authority:** N/A

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 24-20-109 on October 1, 2024 (date).

Describe any changes other than editing from proposed to adopted version: N/A

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Web site:

Other: A preliminary cost-benefit analysis was not prepared.

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

|                                  |     |     |         |     |          |     |
|----------------------------------|-----|-----|---------|-----|----------|-----|
| Federal statute:                 | New | ___ | Amended | ___ | Repealed | ___ |
| Federal rules or standards:      | New | ___ | Amended | ___ | Repealed | ___ |
| Recently enacted state statutes: | New | ___ | Amended | ___ | Repealed | ___ |

**The number of sections adopted at the request of a nongovernmental entity:**

|     |     |         |     |          |     |
|-----|-----|---------|-----|----------|-----|
| New | ___ | Amended | ___ | Repealed | ___ |
|-----|-----|---------|-----|----------|-----|

**The number of sections adopted on the agency's own initiative:**

|     |     |         |          |          |     |
|-----|-----|---------|----------|----------|-----|
| New | ___ | Amended | <u>3</u> | Repealed | ___ |
|-----|-----|---------|----------|----------|-----|

**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

|     |     |         |     |          |     |
|-----|-----|---------|-----|----------|-----|
| New | ___ | Amended | ___ | Repealed | ___ |
|-----|-----|---------|-----|----------|-----|

**The number of sections adopted using:**

|                                |     |     |         |     |          |     |
|--------------------------------|-----|-----|---------|-----|----------|-----|
| Negotiated rule making:        | New | ___ | Amended | ___ | Repealed | ___ |
| Pilot rule making:             | New | ___ | Amended | ___ | Repealed | ___ |
| Other alternative rule making: | New | ___ | Amended | ___ | Repealed | ___ |

**Date Adopted:** December 3, 2024

**Name:** Brenton Madison

**Title:** Rules Coordinator

**Signature:**



AMENDATORY SECTION (Amending WSR 24-03-001, filed 1/3/24, effective 1/3/24)

**WAC 458-18-220 Refunds—Rate of interest.** (1) **Introduction.** Interest applies to refunds of taxes made pursuant to RCW 84.69.010 through 84.69.090 in accordance with RCW 84.69.100. Interest also applies to judgments entered in favor of the plaintiff pursuant to RCW 84.68.030.

(2) **Calculation of interest rate.** The interest rate is calculated from the equivalent coupon issue yield of the average bill rate for 26-week treasury bills as determined at the first bill market auction conducted after June 30th of the calendar year preceding the date the taxes were paid.

(3) **Interest rates.** The following rates are applied to the amount of the judgment or the amount of the refund, until paid:

| Year tax paid | Auction Year | Rate   |
|---------------|--------------|--------|
| 1984          | 1983         | 9.29%  |
| 1985          | 1984         | 11.27% |
| 1986          | 1985         | 7.36%  |
| 1987          | 1986         | 6.11%  |
| 1988          | 1987         | 5.95%  |
| 1989          | 1988         | 7.04%  |
| 1990          | 1989         | 8.05%  |
| 1991          | 1990         | 8.01%  |
| 1992          | 1991         | 5.98%  |
| 1993          | 1992         | 3.42%  |
| 1994          | 1993         | 3.19%  |
| 1995          | 1994         | 4.92%  |
| 1996          | 1995         | 5.71%  |
| 1997          | 1996         | 5.22%  |
| 1998          | 1997         | 5.14%  |
| 1999          | 1998         | 5.06%  |
| 2000          | 1999         | 4.96%  |
| 2001          | 2000         | 5.98%  |
| 2002          | 2001         | 3.50%  |
| 2003          | 2002         | 1.73%  |
| 2004          | 2003         | 0.95%  |
| 2005          | 2004         | 1.73%  |
| 2006          | 2005         | 3.33%  |
| 2007          | 2006         | 5.09%  |
| 2008          | 2007         | 4.81%  |
| 2009          | 2008         | 2.14%  |
| 2010          | 2009         | 0.29%  |
| 2011          | 2010         | 0.21%  |
| 2012          | 2011         | 0.08%  |
| 2013          | 2012         | 0.15%  |
| 2014          | 2013         | 0.085% |
| 2015          | 2014         | 0.060% |
| 2016          | 2015         | 0.085% |

This rule was adopted December 3, 2024 and becomes effective January 1, 2025. It may be used to determine tax liability on and after the effective date, until the codified version is available from the code reviser's office.

| Year tax paid | Auction Year | Rate          |
|---------------|--------------|---------------|
| 2017          | 2016         | 0.340%        |
| 2018          | 2017         | 1.130%        |
| 2019          | 2018         | 2.085%        |
| 2020          | 2019         | 2.040%        |
| 2021          | 2020         | 0.165%        |
| 2022          | 2021         | 0.050%        |
| 2023          | 2022         | 2.50%         |
| 2024          | 2023         | 5.26%         |
| <u>2025</u>   | <u>2024</u>  | <u>5.115%</u> |

AMENDATORY SECTION (Amending WSR 24-03-001, filed 1/3/24, effective 1/3/24)

**WAC 458-30-262 Agricultural land valuation—Interest rate—Property tax component.** For assessment year (~~(2024)~~) 2025, the interest rate and the property tax component that are used to value classified farm and agricultural lands are as follows:

- (1) The interest rate is (~~(6.03)~~) 6.58 percent; and
- (2) The property tax component for each county is:

| COUNTY       | PERCENT                            | COUNTY       | PERCENT                            |
|--------------|------------------------------------|--------------|------------------------------------|
| Adams        | <del>((1.05))</del><br><u>1.06</u> | Lewis        | <del>((0.78))</del><br><u>0.71</u> |
| Asotin       | <del>((1.12))</del><br><u>1.08</u> | Lincoln      | <del>((1.03))</del><br><u>0.96</u> |
| Benton       | 0.88                               | Mason        | <del>((0.87))</del><br><u>0.78</u> |
| Chelan       | <del>((0.81))</del><br><u>0.76</u> | Okanogan     | <del>((0.93))</del><br><u>0.85</u> |
| Clallam      | <del>((0.82))</del><br><u>0.79</u> | Pacific      | <del>((0.77))</del><br><u>0.70</u> |
| Clark        | <del>((0.92))</del><br><u>0.89</u> | Pend Oreille | <del>((0.86))</del><br><u>0.84</u> |
| Columbia     | <del>((1.11))</del><br><u>1.09</u> | Pierce       | <del>((0.98))</del><br><u>1.01</u> |
| Cowlitz      | <del>((0.89))</del><br><u>0.84</u> | San Juan     | <del>((0.59))</del><br><u>0.54</u> |
| Douglas      | <del>((0.95))</del><br><u>0.82</u> | Skagit       | <del>((0.88))</del><br><u>0.86</u> |
| Ferry        | <del>((0.88))</del><br><u>0.87</u> | Skamania     | <del>((0.89))</del><br><u>0.85</u> |
| Franklin     | <del>((0.84))</del><br><u>0.78</u> | Snohomish    | <del>((0.76))</del><br><u>0.83</u> |
| Garfield     | 1.09                               | Spokane      | 0.93                               |
| Grant        | <del>((0.98))</del><br><u>0.96</u> | Stevens      | <del>((0.81))</del><br><u>0.76</u> |
| Grays Harbor | <del>((0.89))</del><br><u>0.85</u> | Thurston     | <del>((0.95))</del><br><u>0.97</u> |
| Island       | <del>((0.74))</del><br><u>0.73</u> | Wahkiakum    | <del>((0.60))</del><br><u>0.58</u> |
| Jefferson    | <del>((0.80))</del><br><u>0.83</u> | Walla Walla  | <del>((1.00))</del><br><u>0.95</u> |
| King         | <del>((0.83))</del><br><u>0.92</u> | Whatcom      | <del>((0.85))</del><br><u>0.76</u> |
| Kitsap       | <del>((0.85))</del><br><u>0.83</u> | Whitman      | <del>((1.42))</del><br><u>1.34</u> |
| Kittitas     | <del>((0.77))</del><br><u>0.69</u> | Yakima       | <del>((0.96))</del><br><u>0.87</u> |
| Klickitat    | <del>((0.87))</del><br><u>0.86</u> |              |                                    |

AMENDATORY SECTION (Amending WSR 24-03-001, filed 1/3/24, effective 1/3/24)

**WAC 458-30-590 Rate of inflation—Publication—Interest rate—Calculation.** (1) **Introduction.** This rule provides the rates of inflation discussed in RCW 84.34.330 and WAC 458-30-550 Exemption—Removal or withdrawal. It also explains the department of revenue's (department) obligation to annually publish a rate of inflation and the manner in which this rate is determined.

(2) **General duty of department - Basis for inflation rate.** Each year the department determines and publishes a rule establishing an annual rate of inflation. This rate of inflation is used in computing the interest that is assessed when farm and agricultural or timber land, which are exempt from special benefit assessments, is withdrawn or removed from current use classification.

(a) The rate of inflation is based on the implicit price deflator for personal consumption expenditures calculated by the United States Department of Commerce. This rate is used to calculate the rate of interest collected on exempt special benefit assessments.

(b) The rate is published by December 31st of each year and applies to all withdrawals or removals from the farm and agricultural or timber land classifications that occur the following year.

(3) **Assessment of rate of interest.** An owner of classified farm and agricultural or timber land is liable for interest on the exempt special benefit assessment. Interest accrues from the date the local improvement district is created until the land is withdrawn or removed from classification. Interest accrues and is assessed in accordance with WAC 458-30-550.

(a) Interest is assessed only for the time (years and months) the land remains classified under RCW 84.34.020 (2) or (3).

(b) If the classified land is exempt from the special benefit assessment for more than one year, the annual inflation rates are used to calculate an average rate of interest. This average is determined by adding the inflation rate for each year the classified land was exempt from the special benefit assessment after the local improvement district was created. The sum of the inflation rates is then divided by the number of years involved to determine the applicable rate of interest.

(c) Example. A local improvement district for a domestic water supply system was created in January 2010 and the owner used the statutory exemption provided in RCW 84.34.320. On July 1, 2017, the land was removed from the farm and agricultural classification. An average interest rate was calculated using the inflation rates for 2010 through 2017. The owner was then notified of the amount of previously exempt special benefit assessment, plus the average interest rate.

(4) **Rates of inflation.** The rates of inflation used to calculate the interest as required by WAC 458-30-550 are as follows:

| YEAR | PERCENT | YEAR | PERCENT |
|------|---------|------|---------|
| 1976 | 5.6     | 1977 | 6.5     |
| 1978 | 7.6     | 1979 | 11.3    |
| 1980 | 13.5    | 1981 | 10.3    |
| 1982 | 6.2     | 1983 | 3.2     |
| 1984 | 4.3     | 1985 | 3.5     |
| 1986 | 1.9     | 1987 | 3.7     |

This rule was adopted December 3, 2024 and becomes effective January 1, 2025. It may be used to determine tax liability on and after the effective date, until the codified version is available from the code reviser's office.

| <b>YEAR</b> | <b>PERCENT</b> | <b>YEAR</b> | <b>PERCENT</b>   |
|-------------|----------------|-------------|------------------|
| 1988        | 4.1            | 1989        | 4.8              |
| 1990        | 5.4            | 1991        | 4.2              |
| 1992        | 3.3            | 1993        | 2.7              |
| 1994        | 2.2            | 1995        | 2.3              |
| 1996        | 2.2            | 1997        | 2.1              |
| 1998        | 0.85           | 1999        | 1.42             |
| 2000        | 2.61           | 2001        | 1.89             |
| 2002        | 1.16           | 2003        | 1.84             |
| 2004        | 2.39           | 2005        | 2.54             |
| 2006        | 3.42           | 2007        | 2.08             |
| 2008        | 4.527          | 2009        | -0.85 (negative) |
| 2010        | 1.539          | 2011        | 2.755            |
| 2012        | 1.295          | 2013        | 1.314            |
| 2014        | 1.591          | 2015        | 0.251            |
| 2016        | 0.953          | 2017        | 1.553            |
| 2018        | 2.169          | 2019        | 1.396            |
| 2020        | 0.602          | 2021        | 3.860            |
| 2022        | 6.457          | 2023        | 3.67             |
| <u>2024</u> | <u>2.57</u>    |             |                  |