EXPEDITED RULE MAKING

CR-105 (July 2026)
(Implements RCW 34.05.353)

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STATE OF WASHINGTON
FILED

DATE: October 21, 2026
TIME: 8:28 AM

WSR 26-21-093

Agency: Department of Revenue

Title of rule and other identifying information: (describe subject) 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

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The department proposes to amend:
· WAC 458-18-220 to provide the rate of interest for treasury bill auction year 2026, which is used when refunding property taxes paid in 2027, 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 2027 assessment year, as required by RCW 84.34.065.
· WAC 458-30-590 to provide the rate of inflation published in 2026, which is used in calculating interest for deferred special benefit assessments of land removed or withdrawn from classification during 2027, as required by RCW 84.34.310.

Reasons supporting proposal: The department is specifically and explicitly required by statute to annually update these rules to provide the information identified above.

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

Statute being implemented: RCW 84.34.055, 84.34.065, 84.34.141, 84.34.310, 84.34.360, 84.68.030, and 84.69.100.

Is rule necessary because of a:

Federal Law?	☐ Yes	☒ No
Federal Court Decision?	☐ Yes	☒ No
State Court Decision?	☐ Yes	☒ No

If yes, CITATION:

Name of proponent: (person or organization) Department of Revenue

☐ Private
☐ Public
☒ Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Leslie Mullin	7345 Linderson Way S.W., Tumwater, WA	360-534-1589
Implementation:	Jeannette Becker	7345 Linderson Way S.W., Tumwater, WA	360-534-1599
Enforcement:	Jeannette Becker	7345 Linderson Way S.W., Tumwater, WA	360-534-1599

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

Expedited Adoption - Which of the following criteria was used by the agency to file this notice:

☐ Relates only to internal governmental operations that are not subject to violation by a person;

☒ Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;

☐ Corrects typographical errors, make address or name changes, or clarify language of a rule without changing its effect;

☒ Content is explicitly and specifically dictated by statute;

☐ Substitutes “alien” with “noncitizen” and related grammatical changes not changing the effect of the rule;

☐ Has been the subject of negotiated rule making, pilot rule making, or some other process that involved substantial participation by interested parties before the development of the proposed rule; or

☐ Is being amended after a review under RCW 34.05.328.

Expedited Repeal - Which of the following criteria was used by the agency to file notice:

☐ The statute on which the rule is based has been repealed and has not been replaced by another statute providing statutory authority for the rule;

☐ The statute on which the rule is based has been declared unconstitutional by a court with jurisdiction, there is a final judgment, and no statute has been enacted to replace the unconstitutional statute;

☐ The rule is no longer necessary because of changed circumstances; or

☐ Other rules of the agency or of another agency govern the same activity as the rule, making the rule redundant.

Explanation of the reason the agency believes the expedited rule-making process is appropriate pursuant to RCW 34.05.353(4): The department is required by Washington state statutes to annually update these rules.

NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO

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BEGINNING (date/time) 10/21/26/ 8:00 AM **AND RECEIVED BY** (date/time) 12/21/26/ 12:00 PM

Date: 10/21/26	**Signature:**
Name: Perry Samans	
Title: Rules Coordinator	

This rule draft is being proposed under an expedited rule-making process that does not require the agency to hold public hearings.
Under no circumstances is this proposed rule to be used as a basis for determining tax liability or eligibility for a tax deduction, exemption, or credit.

AMENDATORY SECTION (Amending WSR 26-01-183, filed 12/23/25, effective 1/1/26)

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%

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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%
2025	2024	5.115%
2026	2025	4.145%
2027	2026	3.830%

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AMENDATORY SECTION (Amending WSR 26-01-183, filed 12/23/25, effective 1/1/26)

WAC 458-30-262 Agricultural land valuation—Interest rate—Property tax component. For assessment year ((~~2026~~)) 2027, the interest rate and the property tax component used to value classified farm and agricultural lands are as follows:

(1) The interest rate is ((~~7.14~~)) 7.70 percent; and

(2) The property tax component for each county is:

COUNTY	PERCENT	COUNTY	PERCENT
Adams	((~~1.02~~)) 0.98	Lewis	((~~0.81~~)) 0.80
Asotin	((~~1.09~~)) 1.01	Lincoln	((~~0.98~~)) 0.95
Benton	((~~0.88~~)) 0.84	Mason	((~~0.81~~)) 0.79
Chelan	0.77	Okanogan	((~~0.85~~)) 0.81
Clallam	((~~0.84~~)) 0.88	Pacific	((~~0.73~~)) 0.71
Clark	((~~0.95~~)) 0.92	Pend Oreille	((~~0.79~~)) 0.78
Columbia	((~~1.22~~)) 1.26	Pierce	((~~1.01~~)) 1.00
Cowlitz	((~~0.89~~)) 0.88	San Juan	((~~0.59~~)) 0.64
Douglas	((~~0.77~~)) 0.81	Skagit	((~~0.87~~)) 0.89
Ferry	((~~0.85~~)) 0.81	Skamania	((~~0.84~~)) 0.85
Franklin	((~~0.83~~)) 0.86	Snohomish	((~~0.83~~)) 0.82
Garfield	((~~1.10~~)) 1.23	Spokane	0.99
Grant	((~~0.94~~)) 0.97	Stevens	((~~0.77~~)) 0.74
Grays Harbor	((~~0.86~~)) 0.83	Thurston	0.99
Island	((~~0.73~~)) 0.78	Wahkiakum	((~~0.62~~)) 0.59
Jefferson	((~~0.82~~)) 0.81	Walla Walla	((~~1.02~~)) 1.01
King	((~~0.89~~)) 0.94	Whatcom	((~~0.81~~)) 0.83
Kitsap	((~~0.86~~)) 0.87	Whitman	((~~1.23~~)) 1.11
Kittitas	((~~0.72~~)) 0.75	Yakima	((~~0.91~~)) 0.85
Klickitat	((~~0.85~~)) 0.87		

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AMENDATORY SECTION (Amending WSR 26-01-183, filed 12/23/25, effective 1/1/26)

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

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YEAR	PERCENT	YEAR	PERCENT
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
2024	2.57	2025	2.44
2026	3.876		

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