



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 04, 2019

TIME: 8:28 AM

WSR 19-18-084

Agency: Department of Revenue

Subject of possible rule making: Senate Bill 5998, 2019 Legislative session, Chapter 424, Laws of Washington. Pursuant to Section 5 of SB 5998, the Department of Revenue is developing guidance to implement new Real Estate Excise Tax (REET) provisions authorizing the Department to disregard the form of a real estate transaction structured in a way that serves no meaningful purpose other than to avoid or reduce tax.

Statutes authorizing the agency to adopt rules on this subject: Senate Bill 5998, 2019 Legislative session, Chapter 424, Laws of Washington. RCW 82.01.060, RCW 82.32.300, and RCW 82.45.150.

Reasons why rules on this subject may be needed and what they might accomplish: The Legislature has encouraged the Department of Revenue to provide guidance in this new area of the Real Estate Excise Tax law. Rules on this subject would assist taxpayers in avoiding situations where the form of a transaction is disregarded, while also assisting County and state officials in collecting the correct amount of REET.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: N/A

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) The Department of Revenue will host a public meeting in late 2019 to gather public input on the tax avoidance REET issues. Thereafter, the Department will draft a new rule in WAC Chapter 458-61A addressing this issue. That draft rule will go through the standard rule making process described in the Administrative Procedures Act in RCW Chapter 34.05, including a CR-102 public hearing for additional public input.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

	(If necessary)
Name: Rex Munger	Name:
Address: PO Box 47453, Olympia, WA 98504-7453	Address:
Phone: 360-534-1554	Phone:
Fax: 360-534-1606	Fax:
TTY: 800-833-6384	TTY:
Email: RexM@dor.wa.gov	Email:
Web site: dor.wa.gov	Web site:
Other:	Other:

Additional comments: Written comments may be submitted by mail or email and should be directed to Rex Munger using one of the contact methods above.

Written and oral comments will be accepted at the Public Meeting.

Date: October 16, 2019 **Time:** 10:00 A.M.

Public Meeting Location:

Conference Room 252
6400 Linderson Way SW
Tumwater, Washington 98501

Date: September 4, 2019	Signature: 
Name: Atif Aziz	
Title: Rules Coordinator	