This form must be submitted with the Real Estate Excise Tax Affidavit (FORM REV 84 0001A for deeded transfers and Form REV 84 0001B for controlling interest transfers) for claims of tax exemption as provided below. Completion of this form is required for the types of real property transfers listed in numbers 1-3 below. Only the first page of this form needs original signatures.

**AUDIT:** Information you provide on this form is subject to audit by the Department of Revenue. In the event of an audit, it is the taxpayers' responsibility to provide documentation to support the selling price or any exemption claimed. This documentation must be maintained for a minimum of four years from date of sale. (RCW 82.65.100) Failure to provide supporting documentation when requested may result in the assessment of tax, penalties, and interest. Any filing that is determined to be fraudulent will carry a 50% evasion penalty in addition to any other accrued penalties or interest when the tax is assessed.

**PERJURY:** Perjury is a class C felony which is punishable by imprisonment in a state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars ($5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).

The persons signing below do hereby declare under penalty of perjury that the following is true (check appropriate statement):

### 1. **DATE OF SALE:** (WAC 458-61A-306(2))

<table>
<thead>
<tr>
<th>Reason held in escrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>I, (print name) certify that the ________________________________ (type of instrument), dated _____________________________, was delivered to me in escrow by ________________________________ (seller's name). NOTE: Agent named here must sign below and indicate name of firm. The payment of the tax is considered current if it is not more than 90 days beyond the date shown on the instrument. If it is past 90 days, interest and penalties apply to the date of the instrument.</td>
</tr>
</tbody>
</table>

### 2. **GIFTS:** (WAC 458-61A-201) The gift of equity is non-taxable; however, any consideration received is not a gift and is taxable. The value exchanged or paid for equity plus the amount of debt equals the taxable amount. One of the boxes below must be checked. Both Grantor (seller) and Grantee (buyer) must sign below.

#### A. Gifts with consideration

1. **Grantor (seller) has made and will continue to make all payments after this transfer on the total debt of $__________ and has received from the grantee (buyer) $__________ (include in this figure the value of any items received in exchange for property). Any consideration received by grantor is taxable.**

2. **Grantor (seller) has made and will continue to make 100% of the payments on the total debt of $__________ and has received from the grantee (buyer) $__________ (include in this figure the value of any items received in exchange for property).**

#### B. Gifts without consideration

1. **There is no debt on the property; Grantor (seller) has not received any consideration towards equity.**

2. **Grantor (seller) has made and will continue to make 100% of the payments on the total debt of $__________ and has not received any consideration towards equity.**

3. **Grantor (seller) has made and will continue to make 100% of the payments on the total debt of $__________ and has not paid grantor (seller) any consideration towards equity.**

4. **Grantor (seller) and Grantee (buyer) have made and will continue to make payments from joint account on total debt before and after the transfer.**

---

Has there been or will there be a refinance of the debt? YES NO (If yes, please call 360-704-5905 to see if this transfer is taxable). If grantor (seller) was on title as co-signor only, please see WAC 458-61A-215 for exemption requirements.

The undersigned acknowledge this transaction may be subject to audit and have read the above information regarding record-keeping requirements and evasion penalties.

<table>
<thead>
<tr>
<th>Grantor's Signature</th>
<th>Date</th>
<th>Grantee’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grantor's Name (print)</td>
<td>Grantee’s Name (print)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3. **IRS "TAX DEFERRED" EXCHANGE** (WAC 458-61A-213)

<table>
<thead>
<tr>
<th>Reason held in escrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>I, (print name) certify that I am acting as an Exchange Facilitator in transferring real property to ________________________ pursuant to IRC Section 1031, and in accordance with WAC 458-61A-213. NOTE: Exchange Facilitator must sign below.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exchange Facilitator’s Signature</th>
<th>Date</th>
<th>Exchange Facilitator’s Name (print)</th>
</tr>
</thead>
</table>

For tax assistance, contact your local County Treasurer/Recorder or visit dor.wa.gov/reet. To ask about the availability of this publication in an alternate format for the visually impaired, please call 360-705-6705. Teletypewriter (TTY) users may use the WA Relay Service by calling 711.
This form must be submitted with the Real Estate Excise Tax Affidavit (FORM REV 84 0001A for deeded transfers and FORM REV 84 0001B for controlling interest transfers) for claims of tax exemption as provided below. Completion of this form is required for the types of real property transfers listed in numbers 1-3 below. Only the first page of this form needs original signatures.

AUDIT: Information you provide on this form is subject to audit by the Department of Revenue. In the event of an audit, it is the taxpayers' responsibility to provide documentation to support the selling price or any exemption claimed. This documentation must be maintained for a minimum of four years from date of sale. (RCW 82.65.100) Failure to provide supporting documentation when requested may result in the assessment of tax, penalties, and interest. Any filing that is determined to be fraudulent will carry a 50% evasion penalty in addition to any other accrued penalties or interest when the tax is assessed.

PERJURY: Perjury is a class C felony which is punishable by imprisonment in a state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars ($5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1c)).

The persons signing below do hereby declare under penalty of perjury that the following is true (check appropriate statement):

1. [ ] DATE OF SALE: (WAC 458-61A-306(2)) I, (print name) ____________, certify that the (type of instrument), dated ____________, was delivered to me in escrow by (seller's name). NOTE: Agent named here must sign below and indicate name of firm. The payment of the tax is considered current if it is not more than 90 days beyond the date shown on the instrument. If it is past 90 days, interest and penalties apply to the date of the instrument.

   Reasons held in escrow: ________________________________________________________

   Signature ___________________________ Firm Name ___________________________

2. GIFTS: (WAC 458-61A-201) The gift of equity is non-taxable; however, any consideration received is not a gift and is taxable. The value exchanged or paid for equity plus the amount of debt equals the taxable amount. One of the boxes below must be checked. Both Grantor (seller) and Grantee (buyer) must sign below.

   Grantor (seller) gifts equity valued at $ ____________ to grantee (buyer), (seller's name) .

   Grantor (seller) gifts equity valued at $ ____________ to grantee (buyer).

   Grantor (seller) gifts equity valued at $ ____________ to grantee (buyer).

3. [ ] IRS "TAX DEFERRED" EXCHANGE (WAC 458-61A-213)

   I, (print name) ____________, certify that I am acting as an Exchange Facilitator in transferring real property to ___________________________ pursuant to IRC Section 1031, and in accordance with WAC 458-61A-213. NOTE: Exchange Facilitator must sign below.

   Exchange Facilitator’s Signature ___________________________ Date ____________

   Exchange Facilitator’s Name (print) ___________________________

For tax assistance, contact your local County Treasurer/Recorder or visit dor.wa.gov/reet. To ask about the availability of this publication in an alternate format for the visually impaired, please call 360-705-6705. Teletype (TTY) users may use the WA Relay Service by calling 711.
This form must be submitted with the Real Estate Excise Tax Affidavit (FORM REV 84 0001A for deeded transfers and Form REV 84 0001B for controlling interest transfers) for claims of tax exemption as provided below. Completion of this form is required for the types of real property transfers listed in numbers 1-3 below. Only the first page of this form needs original signatures.

**AUDIT:** Information you provide on this form is subject to audit by the Department of Revenue. In the event of an audit, it is the taxpayers' responsibility to provide documentation to support the selling price or any exemption claimed. This documentation must be maintained for a minimum of four years from date of sale. (RCW 82.45.100) Failure to provide supporting documentation when requested may result in the assessment of tax, penalties, and interest. Any filing that is determined to be fraudulent will carry a 50% evasion penalty in addition to any other accrued penalties or interest when the tax is assessed.

**PERJURY:** Perjury is a class C felony which is punishable by imprisonment in a state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars ($5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).

The persons signing below do hereby declare under penalty of perjury that the following is true (check appropriate statement):

1. **DATE OF SALE:** (WAC 458-61A-306(2))

I, (print name) ____________, certify that the (type of instrument), dated ____________, was delivered to me in escrow by ____________. (seller's name). **NOTE:** Agent named here must sign below and indicate name of firm. The payment of the tax is considered current if it is not more than 90 days beyond the date shown on the instrument. If it is past 90 days, interest and penalties apply to the date of the instrument.

Reasons held in escrow: ____________________________

Signature ____________ Firm Name ____________

2. **GIFTS:** (WAC 458-61A-201) The gift of equity is non-taxable; however, any consideration received is not a gift and is taxable. The value exchanged or paid for equity plus the amount of debt equals the taxable amount. One of the boxes below must be checked. Both Grantor (seller) and Grantee (buyer) must sign below.

A. Gifts with consideration

1. Grantor (seller) has made and will continue to make all payments after this transfer on the total debt of $ ____________ and has received from the grantee (buyer) $ ____________. (include in this figure the value of any items received in exchange for property). Any consideration received by grantor is taxable.

2. Grantee (buyer) will make payments on % of total debt of $ ____________ for which grantor (seller) is liable and pay grantor (seller) $ ____________. (include in this figure the value of any items received in exchange for property). Any consideration received by grantor is taxable.

B. Gifts without consideration

1. There is no debt on the property; Grantor (seller) has not received any consideration towards equity. No tax is due.

2. Grantor (seller) has made and will continue to make 100% of the payments on the total debt of $ ____________ and has not received any consideration towards equity. No tax is due.

3. Grantee (buyer) has made and will continue to make 100% of the payments on total debt of $ ____________, and has not paid grantor (seller) any consideration towards equity. No tax is due.

4. Grantor (seller) and grantee (buyer) have made and will continue to make payments from joint account on total debt before and after the transfer. Grantee (buyer) has not paid grantor (seller) any consideration towards equity. No tax is due.

Has there been or will there be a refinance of the debt? YES NO (If yes, please call 360-704-5905 to see if this transfer is taxable). If grantor (seller) was on title as co-signor only, please see WAC 458-61A-215 for exemption requirements.

The undersigned acknowledge this transaction may be subject to audit and have read the above information regarding record-keeping requirements and evasion penalties.

Grantor's Signature ____________ Date ____________

Grantee’s Signature ____________ Date ____________

Grantor's Name (print) ____________ Grantee’s Name (print) ____________

3. **IRS "TAX DEFERRED" EXCHANGE** (WAC 458-61A-213)

I, (print name) ____________, certify that I am acting as an Exchange Facilitator in transferring real property to ____________, pursuant to IRC Section 1031, and in accordance with WAC 458-61A-213. **NOTE:** Exchange Facilitator must sign below.

________________________________________

Exchange Facilitator’s Signature ____________ Date ____________

________________________________________

Exchange Facilitator’s Name (print) ____________
This form must be submitted with the Real Estate Excise Tax Affidavit (FORM REV 84 0001A for deeded transfers and Form REV 84 0001B for controlling interest transfers) for claims of tax exemption as provided below. Completion of this form is required for the types of real property transfers listed in numbers 1-3 below. Only the first page of this form needs original signatures.

AUDIT: Information you provide on this form is subject to audit by the Department of Revenue. In the event of an audit, it is the taxpayers' responsibility to provide documentation to support the selling price or any exemption claimed. This documentation must be maintained for a minimum of four years from date of sale. (RCW 82.45.100) Failure to provide supporting documentation when requested may result in the assessment of tax, penalties, and interest. Any filing that is determined to be fraudulent will carry a 50% evasion penalty in addition to any other accrued penalties or interest when the tax is assessed.

PERJURY: Perjury is a class C felony which is punishable by imprisonment in a state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars ($5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).

The persons signing below do hereby declare under penalty of perjury that the following is true (check appropriate statement):

1. [ ] DATE OF SALE: (WAC 458-61A-306(2))

I, (print name) , certify that the (type of instrument), dated , was delivered to me in escrow by (seller's name). NOTE: Agent named here must sign below and indicate name of firm. The payment of the tax is considered current if it is not more than 90 days beyond the date shown on the instrument. If it is past 90 days, interest and penalties apply to the date of the instrument.

Reasons held in escrow:

Signature Firm Name

2. GIFTS: (WAC 458-61A-201) The gift of equity is non-taxable; however, any consideration received is not a gift and is taxable. The value exchanged or paid for equity plus the amount of debt equals the taxable amount. One of the boxes must be checked.

Both Grantor (seller) and Grantee (buyer) must sign below.

Grantee (buyer) will make payments on % of total debt of $ for which grantor (seller) is liable and pay grantor (seller) $ (include in this figure the value of any items received in exchange for property). Any consideration received by grantor is taxable.

Grantee (buyer) has made and will continue to make 100% of the payments on total debt of $ and has received from grantee (buyer) $ (include in this figure the value of any items received in exchange for property). Any consideration received by grantee is taxable.

Signature Firm Name

A. Gifts with consideration

1. [ ] Grantor (seller) has made and will continue to make all payments after this transfer on the total debt of $ (include in this figure the value of any items received in exchange for property). Any consideration received by grantor is taxable.

2. [ ] Grantor (seller) will make payments on % of total debt of $ for which grantor (seller) is liable and pay grantor (seller) $ (include in this figure the value of any items received in exchange for property). Any consideration received by grantee is taxable.

B. Gifts without consideration

1. [ ] There is no debt on the property; Grantor (seller) has not received any consideration towards equity. No tax is due.

2. [ ] Grantor (seller) has made and will continue to make 100% of the payments on the total debt of $ and has not received any consideration towards equity. No tax is due.

3. [ ] Grantee (buyer) has made and will continue to make 100% of the payments on total debt of $ and has not paid grantor (seller) any consideration towards equity. No tax is due.

4. [ ] Grantor (seller) and grantee (buyer) have made and will continue to make payments from joint account on total debt before and after the transfer. Grantee (buyer) has not paid grantor (seller) any consideration towards equity. No tax is due.

Has there been or will there be a refinance of the debt? [ ] YES [ ] NO (If yes, please call 360-704-5905 to see if this transfer is taxable). If grantor (seller) was on title as co-signor only, please see WAC 458-61A-215 for exemption requirements.

The undersigned acknowledge this transaction may be subject to audit and have read the above information regarding record-keeping requirements and evasion penalties.

Grantor's Signature Grantor's Name (print) Date

Grantee’s Signature Grantee’s Name (print) Date

3. [ ] IRS "TAX DEFERRED" EXCHANGE (WAC 458-61A-213)

I, (print name) , certify that I am acting as an Exchange Facilitator in transferring real property to pursuant to IRC Section 1031, and in accordance with WAC 458-61A-213. NOTE: Exchange Facilitator must sign below.

Exchange Facilitator’s Signature Exchange Facilitator's Name (print)

Date

For tax assistance, contact your local County Treasurer/Recorder or visit dor.wa.gov/reet. To ask about the availability of this publication in an alternate format for the visually impaired, please call 360-705-6705. Teletype (TTY) users may use the WA Relay Service by calling 711.

TAXPAYER
(2) Consideration. See WAC 458-61A-102 for the definition of “consideration.” Consideration may also include: (a) Monetary payments from the grantee to the grantor; or (b) Monetary payments from the grantor toward underlying debt (such as a mortgage) on the property that was transferred, whether the payments are made toward existing or refinanced debt.

(3) Assumption of debt. If the grantee agrees to assume payment of the grantor’s debt on the property in return for the transfer, there is consideration, and the transfer is not exempt from tax. Real estate excise tax is due on the amount of debt assumed, in addition to any other form of payment made by the grantee to the grantor in return for the transfer. However, equity in the property can be gift.

(4) Rebuttable presumption regarding refinancing transactions. (a) There is a rebuttable presumption that the transfer is a sale and not a gift if the grantor is involved in a refinancing of debt on the property within six months of the time of the transfer. (b) There is a rebuttable presumption that the transfer is a gift and not a sale if the grantor is involved in a refinancing of debt on the property more than six months from the time of the transfer.

(5) Documentation. (a) A completed real estate excise tax affidavit is required for transfers by gift. A supplemental statement approved by the department must be completed and attached to the affidavit. The supplemental statement will attest to the existence or absence of underlying debt on the property, whether the grantee has or will in the future make any payments on the debt, and whether a refinance of debt has occurred or is planned to occur. The statement must be signed by both the grantor and the grantee. (b) The grantor must retain financial records providing proof that the grantor is entitled to this exemption in case of audit by the department. Failure to provide records upon request will result in subsequent denial of the exemption.

(6) Examples. (a) Overview. The following examples, while not exhaustive, illustrate some of the circumstances in which a grant of an interest in real property may qualify for this exemption. These examples should be used only as a general guide. The taxability of each transaction must be determined after a review of all the facts and circumstances.

(b) Examples—No debt. (i) John conveys his residence valued at $200,000 to Sara. John comes off of the title. There is no underlying debt on the property, and Sara gives John no consideration for the transfer. The conveyance from John to Sara qualifies for the gift exemption from real estate excise tax. (ii) Keith and Jean, as joint owners, convey their residence valued at $200,000 to Jean as her sole property. There is no underlying debt on the property. In exchange for Jean’s one-half interest in the property, Jean gives Keith $10,000. Keith has made a gift of $90,000 in equity, and received consideration of $10,000. Real estate excise tax is due on the $10,000.

(c) Examples—Existing debt. (i) Josh conveys his residence valued at $200,000 to Samantha. Josh has $25,000 in equity and an underlying debt of $175,000. Josh continues to make the mortgage payments out of his own funds, and Samantha does not contribute any payments toward the debt. Since Josh continues to make the payments, there is no consideration from Samantha to Josh, and the transfer qualifies for exemption as a gift. (ii) Josh conveys the residence to Samantha, and after the transfer, Samantha begins to make payments on the debt. Josh does not contribute to the payments on the debt after the title is transferred. Josh has made a gift of his $25,000 equity, but real estate excise tax is due on the $175,000 debt that Samantha is now paying. (iii) Dan conveys his residence valued at $200,000 to himself and Jill as tenants in common. Dan has $25,000 in equity and an underlying debt of $175,000. Dan and Jill open a new joint bank account, to which they both contribute funds equally. Mortgage payments are made from their joint account. There is a rebuttable presumption that real estate excise tax is due on the conveyance because Jill appears to be contributing toward payments on the debt. In that case, real estate excise tax is due on the consideration given by Jill, (50% of the underlying debt) based upon her contributions to the joint account. The tax will be calculated on a one-half interest in the existing debt ($87,500). (iv) Dan conveys the residence to himself and Jill, and Jill has $25,000 in equity, and a mortgage of $175,000. Dan and Jill open a new joint bank account, which is used to make the mortgage payments, but Dan contributes 100% of the funds to the account. The conveyance is exempt from real estate excise tax, because Jill has not given any consideration in exchange for the transfer. (v) Bob conveys his residence valued at $200,000 to himself and Jane as tenants in common. Bob has $25,000 equity, and an underlying debt of $175,000. Bob and Jane have contributed varying amounts to an existing joint bank account for many years prior to the conveyance. Mortgage payments have been made from the joint account both before and after the conveyance. The conveyance is exempt from real estate excise tax, because Jane’s contributions toward the joint account from which the payments are made are not deemed considered in exchange for the transfer (because she made contributions for many years before the transfer as well as after the transfer, there is no evidence that her payments were consideration for the transfer). (vi) Bill and Melanie, as joint owners, convey their residence valued at $200,000 to Melanie, as her sole property. There is an underlying debt of $170,000. Prior to the transfer, both Bill and Melanie had contributed to the monthly payments on the debt. After the transfer, Melanie begins to make 100% of the payments, with Bill contributing nothing toward the debt. Bill’s equity ($150,000) is a gift, but Melanie’s taking over the payments on the mortgage is considered receipt by Bill. Real estate excise tax is due on $55,000 (Bill’s fractional interest in the property multiplied by the outstanding debt at the time of transfer: 50% x $170,000). (vii) Casey and Erin, as joint owners, convey their residence valued at $200,000 to Erin as sole owner. There is an underlying debt of $170,000 in both their names. For the three years prior to the transfer, Erin made 100% of the payments on the debt. After the transfer, Erin continues to make 100% of the payments. The transfer is exempt from the real estate excise tax because Erin made all of the payments on the property before the transfer as well as after the transfer; there is no evidence that her payments were consideration for the transfer.

(d) Examples—Refinanced debt. (i) Bob conveys his residence to himself and Jane. Within one month of the transfer, Bob and Jane refinance the underlying debt of $175,000, with $87,500 of new debt. The payments on the underlying debt of $175,000. Nine months after the transfer, Kyle and Amy refinance the mortgage in both of their names, and open a joint bank account to which they contribute funds equally. Payments on the new mortgage are made from the joint account. There is a rebuttable presumption that Amy’s contributions to the joint account are consideration for the transfer, since Amy appears to have agreed to pay half of the monthly debt payment, and real estate excise tax may be due. The measure of the tax is one-half of the underlying debt to which Amy is contributing ($87,500). (ii) Kyle conveys his residence to himself and Amy. Within one month of the transfer, Kyle conveys his residence valued at $200,000 to Amy as tenants in common. Kyle has $25,000 in equity, and an underlying debt of $175,000. Within one month of the transfer, Kyle and Amy refinance the mortgage in both of their names, and open a joint bank account to which they contribute funds equally. Payments on the new mortgage are made from the joint account. There is a rebuttable presumption that Amy’s contributions to the joint account are consideration for the transfer, since Amy appears to have agreed to pay half of the monthly debt payment, and real estate excise tax may be due. The measure of the tax is one-half of the underlying debt to which Amy is contributing ($87,500).

(e) Example—Refinanced debt—"Cosigner." Charlie and Sadie, a married couple, own a residence valued at $200,000 with an underlying mortgage of $170,000. Sadie receives the property when they divorce. After a few months, Sadie tries to refinance, but her credit is insufficient to obtain a loan in her name only. Therefore, Sadie and Charlie cosign the loan. As a result of the refinancing, Sadie is no longer responsible for payments on the loan. After the refinancing, Sadie makes 100% of the payments on the new debt, so real estate excise tax is due on her payments. Sadie makes 100% of the payments on the new loan, and the tax is not due. There is a rebuttable presumption that the new mortgage is due to a real estate transaction, because this appears to be a business arrangement. As a business venture, one-half of the rental income now belongs to Zack, and is being contributed toward payment of the mortgage. The real estate excise tax will be due on the one-half interest of the debt contributed by Zack ($87,500).