

# HOUSE BILL REPORT

## SSB 5112

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**As Passed House**

April 9, 1997

**Title:** An act relating to interest on property tax refunds.

**Brief Description:** Providing property tax refund interest from the date of collection.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Oke and Winsley).

**Brief History:**

**Committee Activity:**

Finance: 3/27/97, 4/3/97 [DP].

**Floor Activity:**

Passed House: 4/9/97, 98-0.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 13 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Boldt; Butler; Conway; Kastama; Morris; Pennington; Thompson and Van Luven.

**Staff:** Rick Peterson (786-7150).

**Background:** Taxpayers are entitled to interest on refunds of property taxes. Interest accrues from the date of the payment of the tax to when the taxpayer institutes an action for a refund in state or federal court and in small claims petitions to the county assessor. Otherwise, interest is paid from the date of the tax payment or the date a claim for a refund is made, whichever is later.

County boards of equalization provide the first level of appeal for property owners who dispute the assessed value of their properties. Appeals of county boards of equalization decisions are taken to the state Board of Tax Appeals. Property taxes are paid on the assessed value set by the assessor if the appeal is not concluded before the property tax is due. If the case concludes in favor of the taxpayer, then a claim for a refund is filed. Interest is paid on the refund from the date of the refund claim. The appeal of assessed value to the County Board of Equalization and the State Board of Tax Appeals is not considered a claim for refund.

**Summary of Bill:** Interest on property tax refunds is paid from the date of payment of the tax.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill provides a refund of interest to taxpayers who have successfully appealed their property value. It makes no sense for the government to keep the interest earned on overpayments of tax.

**Testimony Against:** None.

**Testified:** Senator Oke, original prime sponsor.