

HB 2003

Bill Analysis

March 4, 1997

Brief Description: Providing property tax exemptions for property with an assessed value of less than one thousand dollars.

Bill Sponsors: Representatives O'Brien, Sheahan, Radcliff, Koster, Blalock, Robertson, Mason, Mitchell, Kenney, Butler, Wood, Schoesler, Kessler, Keiser and Costa.

Staff: Rick Peterson (786-7150)

Background: All real and personal property in this state is subject to the property tax each year based on its value unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located. Real property is land and the buildings, structures, or improvements that are affixed to the land. Personal property includes all property that is not real property.

Most personal property owned by households such as motor vehicles and household goods and personal effects is exempt from tax. In general, taxable personal property is personal property used in a trade or business. Additionally, the first \$3,000 of taxable personal property for heads of families is exempt. This exemption applies to the personal property of non-corporate businesses which are subject to tax on business equipment and supplies.

Summary of Bill: Each parcel of real property and personal property that has an assessed value of less than \$1000 is exempt from property tax. This exemption does not apply to personal property exempted by the head of family exemption.

The exemption applies to property taxes collected in 1998 and after.

Fiscal Note: Requested.

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

House of Representatives
Office of Program Research
Finance Committee

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