

FINAL BILL REPORT

SSB 5003

C 244 L 97

Synopsis as Enacted

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

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Swecker, Loveland, McDonald, Sheldon, Winsley, Goings, Deccio, Rasmussen, Hale, Stevens, Johnson, McCaslin, Rossi, Oke, Zarelli and Roach).

Senate Committee on Ways & Means
House Committee on Finance

Background: The property tax is applied annually to the assessed value of all property except that which is specifically exempt by law. Taxable property includes both real property and personal property. 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.

Because the Legislature has provided tax exemptions for motor vehicles and household goods and personal effects, taxable personal property generally is personal property used in a trade or business. Additionally, the first \$3,000 of taxable personal property for heads of households is exempt. This reduces the personal property tax liability of noncorporate businesses which are subject to the personal property tax on business equipment and supplies.

Persons with taxable personal property are required to report the amount and value of personal property to the county assessor each year.

Summary: Each parcel of real property, and each personal property account, that has an assessed value of less than \$500 is exempt from taxation. This exemption does not apply to personal property to which the head of household exemption may be applied or to real property which qualifies for preferential tax treatment.

Counties may sell tax foreclosed property worth less than \$500 to adjoining landowners by negotiation rather than through a call for bids.

Votes on Final Passage:

Senate	46	1	
House	97	1	(House amended)
Senate	47	0	(Senate concurred)
Senate	46	0	(Senate reconsidered)

Effective: January 1, 1999