

FINAL BILL REPORT

SSB 6851

C 269 L 08

Synopsis as Enacted

Brief Description: Concerning the documentation required in order to obtain a real estate excise tax exemption at the time of inheritance.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Prentice and Haugen).

Senate Committee on Ways & Means
House Committee on Finance

Background: The real estate excise tax (REET) is imposed on each sale of real property, which includes both the transfer of ownership and the transfer of controlling interests. Real property includes any interest in land or anything affixed to land. The state tax rate is 1.28 percent. Additional local rates are allowed. The combined state and local rate in most areas is 1.78 percent or less.

There are several exemptions from the REET. One exemption is for individuals that inherit real property. Under current Washington Administrative Code, the exemption from the REET is allowed for inherited property when the following documentation is provided along with a certified copy of the death certificate:

- 1) a community property agreement;
- 2) a trust agreement;
- 3) if transferred under the terms of probate, a certified copy of the letters testamentary or letter of administration;
- 4) in the case of joint tenants with right of survivorship a certified copy of the death certificate; or
- 5) a copy of a court order requiring the transfer.

Summary: A surviving spouse or domestic partner may receive an exemption from the REET without the required documents if the surviving spouse or domestic partner shows a certified copy of the death certificate and signs an affidavit affirming that the surviving spouse or domestic partner is the sole and rightful heir to the property.

Additionally, the current documentation required under Washington Administrative Code is codified.

Votes on Final Passage:

Senate	47	0	
House	91	6	(House amended)
Senate	47	2	(Senate concurred)

Effective: June 12, 2008