

2SHB 1628 - H AMD 763

By Representative Jacobsen

NOT CONSIDERED 01/02/2024

1 Beginning on page 3, line 1, strike all of sections 2 through 4
2 and insert the following:

3 **"Sec. 2.** RCW 82.45.060 and 2019 c 424 s 1 are each amended to
4 read as follows:

5 (1) There is imposed an excise tax upon each sale of real
6 property.

7 (a) Through December 31, 2019, the rate of the tax imposed under
8 this section is 1.28 percent of the selling price.

9 (b) Beginning January 1, 2020, except as provided in (c) of this
10 subsection, the rate of the tax imposed under this section is as
11 follows:

12 (i) 1.1 percent of the portion of the selling price that is less
13 than or equal to (~~five hundred thousand dollars~~) \$750,000;

14 (ii) 1.28 percent of the portion of the selling price that is
15 greater than (~~five hundred thousand dollars~~) \$750,000 and equal to
16 or less than (~~one million five hundred thousand dollars~~)
17 \$1,500,000;

18 (iii) 2.75 percent of the portion of the selling price that is
19 greater than (~~one million five hundred thousand dollars~~) \$1,500,000
20 and equal to or less than (~~three million dollars~~) \$3,000,000;

21 (iv) Three percent of the portion of the selling price that is
22 greater than (~~three million dollars~~) \$3,000,000.

23 (c) The sale of real property that is classified as timberland or
24 agricultural land is subject to the tax imposed under this section at
25 a rate of 1.28 percent of the selling price.

26 (2) Beginning July 1, 2022, and every fourth year thereafter:

27 (a) The department must adjust the selling price threshold in
28 subsection (1)(b)(i) of this section to reflect the lesser of the
29 growth of the consumer price index for shelter or five percent. If
30 the growth is equal to or less than zero percent, the current selling
31 price threshold continues to apply.

1 (b) The department must adjust the selling price thresholds in
2 subsection (1)(b)(ii) through (iv) of this section by the dollar
3 amount of any increase in the selling price threshold in subsection
4 (1)(b)(i) of this section.

5 (c) The department must publish updated selling price thresholds
6 by September 1, 2022, and September 1st of every fourth year
7 thereafter. Updated selling price thresholds will apply beginning
8 January 1, 2023, and January 1st every fourth year thereafter.
9 Adjusted selling price thresholds must be rounded to the nearest one
10 thousand dollars. No changes may be made to adjusted selling price
11 thresholds once such adjustments take effect.

12 (d) The most recent selling price threshold becomes the base for
13 subsequent adjustments.

14 (e) The department must report adjustments to the selling price
15 thresholds to the fiscal committees of the legislature, beginning
16 December 1, 2022, and December 1st every fourth year thereafter.

17 (3)(a) The department must publish guidance to assist sellers in
18 properly classifying real property on the real estate excise tax
19 affidavit for purposes of determining the proper amount of tax due
20 under this section. Real property with multiple uses must be
21 classified according to the property's predominant use. The
22 department's guidance must include factors for use in determining the
23 predominant use of real property.

24 (b) County treasurers are not responsible for verifying that the
25 seller has properly classified real property reported on a real
26 estate excise tax affidavit. The department is solely responsible for
27 such verification as part of its audit responsibilities under RCW
28 82.45.150.

29 (4)(a) Beginning July 1, 2013, and ending December 31, 2019, an
30 amount equal to two percent of the proceeds of this tax must be
31 deposited in the public works assistance account created in RCW
32 43.155.050, an amount equal to four and one-tenth percent must be
33 deposited in the education legacy trust account created in RCW
34 83.100.230, an amount equal to one and six-tenths percent must be
35 deposited in the city-county assistance account created in RCW
36 43.08.290, and the remainder must be deposited in the general fund.

37 (b) Beginning January 1, 2020, amounts collected from the tax
38 imposed under this section must be deposited as provided in RCW
39 82.45.230.

1 (5) The definitions in this subsection apply throughout this
2 section unless the context clearly requires otherwise.

3 (a) "Agricultural land" means farm and agricultural land and farm
4 and agricultural conservation land, as those terms are defined in RCW
5 84.34.020, including any structures on such land.

6 (b) "Consumer price index for shelter" means the most current
7 seasonally adjusted index for the shelter expenditure category of the
8 consumer price index for all urban consumers (CPI-U) as published by
9 July 31st by the bureau of labor statistics of the United States
10 department of labor.

11 (c) "Growth of the consumer price index for shelter" means the
12 percentage increase in the consumer price index for shelter as
13 measured from data published by the bureau of labor statistics of the
14 United States department of labor by July 31st for the most recent
15 three-year period for the selling price threshold adjustment in 2022,
16 and the most recent four-year period for subsequent selling price
17 threshold adjustments.

18 (d) "Timberland" means land classified under chapter 84.34 RCW or
19 designated under chapter 84.33 RCW, including any structures and
20 standing timber on such land, and standing timber sold apart from the
21 land upon which it sits."

22 Renumber the remaining sections consecutively and correct any
23 internal references accordingly.

24 On page 33, line 24, strike all of section 12

25 Renumber the remaining sections consecutively and correct any
26 internal references accordingly.

27 On page 34, beginning on line 5, strike all of section 15

28 Renumber the remaining sections consecutively, correct any
29 internal references accordingly, and correct the title.

EFFECT: Removes all changes to the state real estate excise tax,
except the increase to the ceiling of Tier 1 from \$500,000 to
\$750,000 and the increase to the threshold of Tier 2 from \$500,000 to
\$750,000.

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