



Real Estate Excise Tax



82.45.010(3a) - Gift, devise, or inheritance

Description	Transfers of real property by gift, inheritance or device (a will) are not subject to state or local real estate excise tax (REET).															
Purpose	Gifted, inherited, or willed transfers of real property are not sales. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.															
Taxpayer savings	(<i>\$ in millions</i>): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$68.135</td><td>\$72.149</td><td>\$74.871</td><td>\$77.700</td></tr><tr><td>Local Taxes</td><td>\$21.913</td><td>\$23.204</td><td>\$24.080</td><td>\$24.989</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$68.135	\$72.149	\$74.871	\$77.700	Local Taxes	\$21.913	\$23.204	\$24.080	\$24.989
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$68.135	\$72.149	\$74.871	\$77.700												
Local Taxes	\$21.913	\$23.204	\$24.080	\$24.989												
Repeal of exemption	Repealing this exemption would increase revenues.															
Potential revenue gains from full repeal	(<i>\$ in millions</i>): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$66.136</td><td>\$74.871</td><td>\$77.700</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$20.412</td><td>\$23.108</td><td>\$23.981</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$66.136	\$74.871	\$77.700	Local Taxes	\$0.000	\$20.412	\$23.108	\$23.981
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$66.136	\$74.871	\$77.700												
Local Taxes	\$0.000	\$20.412	\$23.108	\$23.981												
Assumptions	<ul style="list-style-type: none">- Thirty two counties provide the Department with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.- Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.- Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.															
Data Sources	<ul style="list-style-type: none">- Department Real Estate Excise Tax Administration System- Economic and Revenue Forecast Council February 2015 Forecast															
Additional Information	<table border="1"><thead><tr><th colspan="2">Additional Information</th></tr></thead><tbody><tr><td>Category:</td><td>Other</td></tr><tr><td>Year Enacted:</td><td>1951</td></tr><tr><td>Primary Beneficiaries:</td><td>Persons acquiring real estate through a gift, devise, or inheritance</td></tr><tr><td>Taxpayer Count:</td><td>16,290</td></tr><tr><td>Program Inconsistency:</td><td>None evident</td></tr><tr><td>JLARC Review:</td><td>JLARC completed a full review in 2011</td></tr></tbody></table>	Additional Information		Category:	Other	Year Enacted:	1951	Primary Beneficiaries:	Persons acquiring real estate through a gift, devise, or inheritance	Taxpayer Count:	16,290	Program Inconsistency:	None evident	JLARC Review:	JLARC completed a full review in 2011	
Additional Information																
Category:	Other															
Year Enacted:	1951															
Primary Beneficiaries:	Persons acquiring real estate through a gift, devise, or inheritance															
Taxpayer Count:	16,290															
Program Inconsistency:	None evident															
JLARC Review:	JLARC completed a full review in 2011															

82.45.010(3b) - Death deeds

Description Transfers of real property through a transfer on death deed are not subject to state or local real estate excise tax (REET).

Purpose Provides another mechanism for tax-free transfers of real property to a beneficiary upon death by excluding transfer by transfer on death deed from the definition of sales.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.111	\$0.118	\$0.122	\$0.127	
Local Taxes	\$0.036	\$0.039	\$0.040	\$0.041	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.108	\$0.122	\$0.127	
Local Taxes	\$0.000	\$0.034	\$0.038	\$0.039	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1955
Primary Beneficiaries:	Persons acquiring real estate through a death deed
Taxpayer Count:	26
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3c) - Certain leasehold interests

Description	Leasing, subleasing, or renting real property is not subject to state or local real estate excise tax (REET).															
Purpose	Leasing or renting real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.															
Taxpayer savings	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$1.656</td><td>\$1.754</td><td>\$1.820</td><td>\$1.889</td></tr><tr><td>Local Taxes</td><td>\$0.534</td><td>\$0.565</td><td>\$0.586</td><td>\$0.608</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$1.656	\$1.754	\$1.820	\$1.889	Local Taxes	\$0.534	\$0.565	\$0.586	\$0.608
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$1.656	\$1.754	\$1.820	\$1.889												
Local Taxes	\$0.534	\$0.565	\$0.586	\$0.608												
Repeal of exemption	Repealing this exemption would increase revenues.															
Potential revenue gains from full repeal	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$1.608</td><td>\$1.820</td><td>\$1.889</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.497</td><td>\$0.562</td><td>\$0.583</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$1.608	\$1.820	\$1.889	Local Taxes	\$0.000	\$0.497	\$0.562	\$0.583
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$1.608	\$1.820	\$1.889												
Local Taxes	\$0.000	\$0.497	\$0.562	\$0.583												
Assumptions	<ul style="list-style-type: none">- Thirty two counties provide the Department with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.- Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.- Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.															
Data Sources	<ul style="list-style-type: none">- Department Real Estate Excise Tax Administration System- Economic and Revenue Forecast Council February 2015 Forecast															
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Additional Information																
Category:	Other															
Year Enacted:	1951															
Primary Beneficiaries:	Persons clearing title on real estate with a recorded long-term leasehold interest															
Taxpayer Count:	515															
Program Inconsistency:	None evident															
JLARC Review:	JLARC completed a full review in 2011															

82.45.010(3d) - Forfeiture of interest in sale of real property

Description Transfers of real property because of debt proceedings such as a foreclosure are not subject to state or local real estate excise tax (REET).

Purpose Transferring debt on real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.332	\$0.352	\$0.365	\$0.379	
Local Taxes	\$0.107	\$0.114	\$0.118	\$0.122	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.322	\$0.365	\$0.379	
Local Taxes	\$0.000	\$0.100	\$0.113	\$0.117	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1955
Primary Beneficiaries:	Persons recording a forfeiture of interest in sale of real property
Taxpayer Count:	480
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3e) - Partition by tenants in common

Description Transferring parts of real property between multiple owners of the same property is not subject to state or local real estate excise tax (REET).

Purpose Transfers between owners of the same property are not sales. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$2.167	\$2.295	\$2.381	\$2.471	
Local Taxes	\$0.697	\$0.738	\$0.766	\$0.795	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$2.104	\$2.381	\$2.471	
Local Taxes	\$0.000	\$0.649	\$0.735	\$0.763	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1955
Primary Beneficiaries:	Persons recording a partition or real estate held by tenants in common
Taxpayer Count:	480
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3f) - Assignment of property through divorce, property settlement

Description Transfers of real property to a spouse or domestic partner because of divorce or property settlement proceedings are not subject to state or local real estate excise tax (REET).

Purpose Transferring real property because of divorce is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$73.170	\$77.481	\$80.404	\$83.443	
Local Taxes	\$23.552	\$24.939	\$25.880	\$26.858	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$71.024	\$80.404	\$83.443	
Local Taxes	\$0.000	\$21.926	\$24.821	\$25.759	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.
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- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast
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82.45.010(3f) - Assignment of property through divorce, property settlement

Additional Information	Additional Information
Category:	Other
Year Enacted:	1955
Primary Beneficiaries:	Persons recording an assignment of property through divorce, property settlement
Taxpayer Count:	18,259
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3h) - Condemnation proceedings

Description Transferring the mortgage interest in a real property to a new mortgage vendor is not subject to state or local real estate excise tax (REET).

Purpose Transferring the mortgage of a real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.502	\$0.531	\$0.552	\$0.572	
Local Taxes	\$0.162	\$0.171	\$0.177	\$0.183	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.487	\$0.552	\$0.572	
Local Taxes	\$0.000	\$0.150	\$0.170	\$0.176	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons recording an assignment/transfer of vendor's interest in contract
Taxpayer Count:	71
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3h) - Condemnation proceedings

Description Transfers of real property because of a forced sale by a governmental body are not subject to state or local real estate excise tax (REET).

Purpose Transferring real property through "eminent domain" is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$10.354	\$10.964	\$11.378	\$11.808	
Local Taxes	\$3.332	\$3.528	\$3.661	\$3.800	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$10.050	\$11.378	\$11.808	
Local Taxes	\$0.000	\$3.103	\$3.513	\$3.646	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
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- Data Sources**
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 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons recording an assignment because of a condemnation proceeding
Taxpayer Count:	635
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3i) - Transfer of interest to secure debt

Description	Transfers of the interest in real property by acquiring a second mortgage or the sale of a mortgage is not subject to state or local real estate excise tax (REET).															
Purpose	Transferring the interest in real property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.															
Taxpayer savings	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.285</td><td>\$0.302</td><td>\$0.314</td><td>\$0.325</td></tr><tr><td>Local Taxes</td><td>\$0.091</td><td>\$0.096</td><td>\$0.099</td><td>\$0.103</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.285	\$0.302	\$0.314	\$0.325	Local Taxes	\$0.091	\$0.096	\$0.099	\$0.103
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.285	\$0.302	\$0.314	\$0.325												
Local Taxes	\$0.091	\$0.096	\$0.099	\$0.103												
Repeal of exemption	Repealing this exemption would increase revenues.															
Potential revenue gains from full repeal	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.277</td><td>\$0.314</td><td>\$0.325</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.085</td><td>\$0.097</td><td>\$0.101</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.277	\$0.314	\$0.325	Local Taxes	\$0.000	\$0.085	\$0.097	\$0.101
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$0.277	\$0.314	\$0.325												
Local Taxes	\$0.000	\$0.085	\$0.097	\$0.101												
Assumptions	<ul style="list-style-type: none">- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.- Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.- Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.															
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Additional Information																
Category:	Other															
Year Enacted:	1951															
Primary Beneficiaries:	Persons recording a transfer of interest to secure debt															
Taxpayer Count:	30															
Program Inconsistency:	None evident															
JLARC Review:	JLARC completed a full review in 2011															

82.45.010(3j) - Foreclosure; deeds in lieu of foreclosure

Description Transfers of real property because of a foreclosure are not subject to state or local real estate excise tax (REET).

Purpose Transferring real property through foreclosure is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$52.135	\$55.207	\$57.290	\$59.455	
Local Taxes	\$16.772	\$17.760	\$18.430	\$19.126	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$50.606	\$57.290	\$59.455	
Local Taxes	\$0.000	\$15.622	\$17.685	\$18.353	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1953
Primary Beneficiaries:	Persons recording a transfer for foreclosure and deeds in lieu of foreclosure
Taxpayer Count:	4,722
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3k) - Mortgage insurers

Description Transfers of real property from a mortgage lender to the Veterans Administration or Federal Housing Authority are not subject to state or local real estate excise tax (REET).

Purpose Transferring the interest in a property is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$4.652	\$4.926	\$5.112	\$5.305	
Local Taxes	\$1.496	\$1.585	\$1.644	\$1.707	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$4.515	\$5.112	\$5.305	
Local Taxes	\$0.000	\$1.394	\$1.578	\$1.638	

- Assumptions**
- Thirty two counties provide the Department of Revenue (Department) with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1953
Primary Beneficiaries:	Persons recording a transfer for a mortgage insurer
Taxpayer Count:	258
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3l) - Transfer where REET already paid or lease/contract began prior to 1951

Description Transfers of real property for which real estate excise tax (REET) has already been paid or through a lease that began prior to 1951 are not subject to state or local REET.

Purpose Transferring real property as a 99 year lease is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.007	\$0.007	\$0.008	\$0.008
Local Taxes	\$0.002	\$0.002	\$0.002	\$0.002

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.007	\$0.008	\$0.008
Local Taxes	\$0.000	\$0.002	\$0.002	\$0.002

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - July 1, 2016 effective date, with 11 months of collections if Fiscal Year 2017.
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- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast
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82.45.010(3l) - Transfer where REET already paid or lease/contract began prior to 1951

Additional Information	Additional Information
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons recording a transfer where REET was already paid or lease/contract began prior to 1951
Taxpayer Count:	3
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3m) - Grave or cemetery lot sale

Description Transferring real property by selling a cemetery lot is not subject to state or local real estate excise tax (REET).

Purpose Transferring real property as a cemetery lot is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price. It would be difficult to decide on a market price for such a small portion of real property.

Taxpayer savings	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.113	\$0.118	\$0.123	\$0.128	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.108	\$0.123	\$0.128	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

- Assumptions**
- Growth rate mirrors the growth in cemetery revenues as reflected in the United States Census Bureau's five year economic census
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Department of Licensing Cemetery Endowment Care Annual Report
 - United States Census Bureau Economic Census

Additional Information	
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons recording a transfer for grave or cemetery lot sales
Taxpayer Count:	112
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3n) - Governmental transfers

Description Real property sold by the federal, state, or local government is not subject to state or local real estate excise tax (REET).

Purpose Governments are exempt from most taxes because this just transfers funds between jurisdictions. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price

Taxpayer savings	<i>(\$ in millions):</i>			
	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$38.382	\$40.644	\$42.177	\$43.771
Local Taxes	\$12.312	\$12.997	\$13.448	\$13.919

Repeal of exemption Repealing this exemption would increase revenues; however the federal government is constitutionally exempt from almost all state taxes.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>			
	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$37.257	\$42.177	\$43.771
Local Taxes	\$0.000	\$11.501	\$13.020	\$13.512

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons recording a governmental transfer
Taxpayer Count:	1,234
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

82.45.010(3o) - Sales to regional transit authorities

Description	Transfers of real property to a regional transit authority through a sale and leaseback arrangement are not subject to state or local real estate excise tax (REET). Regional transit authorities may sell facilities and then lease them back from the investor.															
Purpose	Transferring real property for the purpose of leasing it back is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.															
Taxpayer savings	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Repeal of exemption	Repealing this exemption would increase revenues.															
Potential revenue gains from full repeal	(\$ in millions): <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Assumptions	This exemption has not been utilized and it is not expected to be utilized in the future.															
Data Sources	Department Real Estate Excise Tax Administration System															
Additional Information	<table border="1"><thead><tr><th colspan="2">Additional Information</th></tr></thead><tbody><tr><td>Category:</td><td>Other</td></tr><tr><td>Year Enacted:</td><td>1951</td></tr><tr><td>Primary Beneficiaries:</td><td>Persons recording a sale to a regional transit authority</td></tr><tr><td>Taxpayer Count:</td><td>0</td></tr><tr><td>Program Inconsistency:</td><td>None evident</td></tr><tr><td>JLARC Review:</td><td>JLARC has scheduled to review in 2015</td></tr></tbody></table>	Additional Information		Category:	Other	Year Enacted:	1951	Primary Beneficiaries:	Persons recording a sale to a regional transit authority	Taxpayer Count:	0	Program Inconsistency:	None evident	JLARC Review:	JLARC has scheduled to review in 2015	
Additional Information																
Category:	Other															
Year Enacted:	1951															
Primary Beneficiaries:	Persons recording a sale to a regional transit authority															
Taxpayer Count:	0															
Program Inconsistency:	None evident															
JLARC Review:	JLARC has scheduled to review in 2015															

82.45.010(3p) - No change in beneficial owner

Description Transfers of real property that are a mere change in form of ownership are exempt from the state and local real estate excise tax (REET). Such transfers include transfers to business entity that is wholly owned by the person making the transfer and his or her family members, provided there is no change in beneficial ownership as a result of the transfer.

Purpose To allow the tax-free transfer of property to a business entity in circumstances where the transferor or transferors are closely related and receive ownership interests in the entity in the same proportion as their ownership in the real property.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$116.774	\$123.653	\$128.319	\$133.168
Local Taxes	\$37.521	\$39.732	\$41.231	\$42.789

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$113.349	\$128.319	\$133.168
Local Taxes	\$0.000	\$34.976	\$39.596	\$41.092

Assumptions

- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
- Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
- Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

Data Sources

- Department Real Estate Excise Tax Administration System
- Economic and Revenue Forecast Council February 2015 Forecast

Continued

82.45.010(3p) - No change in beneficial owner

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons recording a sale with no change in beneficial owner
Taxpayer Count:	13,367
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2020

82.45.010(3q) - IRS transfers

Description Transferring real property to form, liquidate, or reorganize a corporation or partnership is not subject to state or local real estate excise tax (REET). This only applies to real property transfers that qualify as a non-recognition of gain or loss transaction under the Internal Revenue Code.

Purpose Transferring real property to form, liquidate, or reorganize a corporation or partnership is not a sale. REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price.

Taxpayer savings

(*\$ in millions*):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$16.053	\$16.998	\$17.640	\$18.306
Local Taxes	\$5.101	\$5.402	\$5.605	\$5.817

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(*\$ in millions*):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$15.582	\$17.640	\$18.306
Local Taxes	\$0.000	\$4.795	\$5.428	\$5.633

Assumptions

- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
- Growth rate mirrors the Real Estate Excise tax rate reflected in the Economic and Revenue Forecast Council's February 2015 forecast.
- Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.

Data Sources

- Department Real Estate Excise Tax Administration System
- Economic and Revenue Forecast Council February 2015 Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons recording a sale because of IRS transfers
Taxpayer Count:	529
Program Inconsistency:	None evident
JLARC Review:	Unable to find on JLARC review schedule

82.45.010(3r) - Manufactured home communities

Description A qualified sale of a manufactured or mobile home community that takes place before December 31, 2018, is not subject to state or local real estate excise tax (REET).

Purpose Encourage and facilitate the preservation of existing manufactured home communities.

Taxpayer savings	(\$ in millions):				
		FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	D	D	D	D	D
Local Taxes	D	D	D	D	D

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	(\$ in millions):				
		FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	D	D	D	D
Local Taxes	\$0.000	D	D	D	D

- Assumptions**
- Thirty two counties provide the Department with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Fewer than three taxpayers benefit from this exemption, so the revenue impact may not be disclosed.

- Data Sources**
- Department Real Estate Excise Tax Administration System
 - Economic and Revenue Forecast Council February 2015 Forecast

Additional Information	Additional Information	
	Category:	Other
	Year Enacted:	1951
	Primary Beneficiaries:	Persons recording a sale involving a manufactured home community
	Taxpayer Count:	Fewer than three
	Program Inconsistency:	None evident
	JLARC Review:	JLARC has scheduled to review in 2016

82.45.030(3) - Exclusion, liens/relocation assistance

Description For real estate excise tax (REET) purposes, "total consideration paid" does not include any outstanding lien or encumbrances in favor of a governmental body or any relocation assistance provided during a foreclosure.

Purpose REET taxes arm's-length purchases of real estate in situations where the purchase price reflects the market price. Governmental liens and relocation assistance are not part of the market price of a property.

Taxpayer savings	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	(\$ in millions):				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

- Assumptions**
- Thirty two counties provide the Department of Revenue with transactions that are exempt from REET through an electronic system. For the seven counties that do not report REET data it is assumed that the portion of transactions exempt from REET are similar to the urban or rural counties that do report data.
 - Based on Department data, no taxpayers have taken this exemption.
 - No taxpayers will use this exemption in the next four years.

Data Sources Department Real Estate Excise Tax Administration System

Additional Information	
Category:	Other
Year Enacted:	1951
Primary Beneficiaries:	Persons
Taxpayer Count:	0
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed an expedited review in 2013

82.45.190 - 2nd Narrows bridge

Description A real estate excise tax exemption is provided for the transfer of state route 16 corridor transportation facilities which were constructed under Chapter 47.46 RCW. This addresses the construction of the second bridge over Puget Sound at the Tacoma Narrows.

Purpose As originally planned, this exemption would enable transfer of the completed bridge to the private operator of the facility without incurring real estate excise tax liability.

Taxpayer savings	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Repeal of exemption Repealing this exemption would not increase revenues. There are no private property transfers anticipated on the 2nd Narrows Bridge project.

Potential revenue gains from full repeal	<i>(\$ in millions):</i>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

Assumptions This exemption has no tax impact.

Data Sources None

Additional Information	
Category:	Tax base
Year Enacted:	1998
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	Not applicable
JLARC Review:	JLARC completed an expedited review in 2014

82.45.195 - Standing timber

Description Sales of timber harvested within 30 months of a severance contract are exempt from the state or local real estate excise tax (REET).

Purpose Providing tax relief to the wood products industry.

Taxpayer savings	(\$ in millions):				
		FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.256	\$0.280	\$0.291	\$0.300	
Local Taxes	\$0.123	\$0.134	\$0.139	\$0.144	

Repeal of exemption Repealing this exemption would subject the property to REET but not to B&O Tax.

Potential revenue gains from full repeal	(\$ in millions):				
		FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.256	\$0.291	\$0.300	
Local Taxes	\$0.000	\$0.123	\$0.139	\$0.144	

- Assumptions**
- Growth rate mirrors the REET growth rate reflected in the Economic & Revenue Forecast Council's February 2015 forecast.
 - Eleven months of collections in Fiscal year 2017 due to July 1, 2016 effective date.
 - Taxpayers will save an estimated \$380 thousand in state REET but pay an additional \$101 thousand in business and occupation taxes in Fiscal Year 2017.

- Data Sources**
- County Real Estate excise tax data
 - Department of Revenue excise tax data
 - Economic & Revenue Forecast Council's February 2015 forecast

Additional Information	
Category:	Business
Year Enacted:	2007
Primary Beneficiaries:	Those harvesting timber
Taxpayer Count:	30
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2016