

Washington Legislature Raises New Revenue

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Washington Property Tax Updates

The 2019 Washington Legislature raised substantial new revenue for the next biennium. Two notable changes: school levy limits were relaxed and the real estate excise tax was practically doubled.

The real estate excise tax applies to sales of Washington real estate and sales of a controlling interest in an entity that own Washington real estate. The tax is 1.78 percent of the sale price in most parts of the state. A new graduated rate structure goes into effect on January 1, 2020, with rates starting at 1.6 percent and quickly rising to 3.5 percent. Several other changes were made, as well.

School finance litigation resulted in the 2017 Legislature limiting local school levies in exchange for increased funding from the state. This session the Seattle school district and others persuaded the Legislature to relax those limits. The effect will vary from district to district, making property tax projections more complicated and uncertain for taxes payable in 2020.