

NEW EXCISE TAX CALCULATIONS FOR 2020

NEW FORMULA FOR REAL ESTATE EXCISE TAX CALCULATIONS STARTS JANUARY 1, 2020



New 2020 Rate Scale for Real Estate Excise Taxes (REET)

Effective January 1, 2020 Washington state will begin calculating REET based on a graduated excise tax rate for sales occurring on or after January 1, 2020. This legislation does not affect rates for timberland or agricultural land, which will remain subject to REET at a 1.28% state tax rate. A local REET may apply in addition to the state REET.

GRADUATED REAL ESTATE EXCISE TAX RATES*

*Municipality tax of 0.50% included below.
Rates take effect January 1, 2020*

REET %	SALES PRICE
1.6%	up to & including \$500,000
1.78%	between \$500,001 - \$1,500,000
3.25%	between \$1,500,001 - \$3,000,000
3.5%	\$3,000,001 and above

** Some municipalities have 0% or a lower tax rate than the 0.50% shown in the table above.*

SAMPLE CALCULATION:

Sales price of **\$600,000**



The first **\$500,000** is taxed at **1.6% (\$8,000)**

The remaining **\$100,000** is taxed at **1.78% (\$1,780)**

For a total excise tax of **\$9,780**



WFG TITLE WILL BE READY TO SERVE YOU AND YOUR CLIENTS

WFG's website calculator will be available soon! We will notify you once our "net calculator" is updated with newly filed REET rates prior to January of 2020.



QUESTIONS?

Contact your WFG Account Manager with any questions or to learn more about how we can help you and your clients make this transition.

These thresholds may be adjusted in 2022 (and every four years following) to reflect the lesser of growth in inflation on the seasonally adjusted index for the shelter expenditure category of the Consumer Price Index for all urban consumers ("CPI-U") or 5%. If such growth is equal to or less than 0%, the current selling price threshold will continue to apply. The legislation provides specific definitions for these growth measures and generally looks to statistics published by July 31.