



PREPARE YOUR CLIENTS FOR THE NEW EXCISE TAX RATES STARTING JANUARY 2020

Graduated Real Estate Excise Tax, beginning January 1, 2020, will be imposed at the following rates.

1.1% on the portion of the sales price that is equal or less than \$500,000.00

3.00% on the portion of the sales price that is greater than \$3,000,000.00

1.28% on the portion of the sales price that is greater than \$500,000.00 and equal to or less than \$1,500,000.00

A rate of **1.28%** is imposed on the sale of undeveloped land, timberland, agricultural land, and water or mineral rights, regardless of selling price

2.75% on the portion of the sales price that is greater than \$1,500,000.00 and equal to or less than \$3,000,000.00

Visit this webpage for more information

[https://app.leg.wa.gov/](https://app.leg.wa.gov/billssummary?BillNumber=5998&Initiative=false&Year=2019)

[billssummary?BillNumber=5998&Initiative=false&Year=2019](https://app.leg.wa.gov/billssummary?BillNumber=5998&Initiative=false&Year=2019)

NOTE: The percentages above are the state base. The individual counties may apply their own percentages in addition to the state base. Those percentages may vary per county.

EXAMPLE BREAK DOWN: Sales price of \$4,000,000.00 Remember the new tax rate adds up per portion of the sales price.	Tax Rate Per PORTION of the sales price	Excise Tax amount in dollars (you must add up each section to get the new total excise tax due)
On the Portion of the sales price up to \$500,000.00	1.10%	\$5,500.00 +
On the Portion of Sales price from \$500,001.00 to \$1,500,000.00	1.28%	\$12,800.00 +
On the Portion of Sales price from \$1,500,001.00 to \$3,000,000.00	2.75%	\$41,250.00 +
On the Portion of Sales price over \$3,000,000.00	3.00%	\$30,000.00
Total before additional county fees		\$89,550.00 + county rate and filing fee
ADDITIONAL COUNTY TAX RATES AND FEES		
County Rate (may vary in some areas of WA)	0.5%	\$20,000.00
Filing fee		\$5.00
TOTAL NEW EXCISE ON A \$4 MILLION SALES PRICE		\$109,555.00



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Old Republic Title strongly recommends that consumers confer with their title insurer as underwriting requirements vary among companies and further, obtain guidance and advice from qualified professionals, including attorneys specializing in Real Property, Trusts and/or Title Insurance to get more detailed, and current, information as to any particular situation affecting them.



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