

ALERT

New formula for real estate excise tax calculations beginning January 1, 2020



CHANGES COMING JANUARY 2020

The Washington State Legislature just passed the 2020 budget and with that action, the way in which real estate excise taxes (REET) are calculated will change in the new year.

Currently, the Washington state excise tax is 1.28 percent. Local municipalities add their excise tax on top of the state tax, with most cities in our area adding 0.50 percent, to total 1.78 percent. Effective January 1, 2020, Washington state will begin calculating real estate excise taxes based on a tier system:

NEW REAL ESTATE EXCISE TAX RATES*

*Municipality tax of .5% included below.
Rates take effect January 1, 2020*

REET %	SALES PRICE
1.6%	up to and 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

**Municipalities of Darrington, Eatonville, Skykomish and Wilkeson have a lower tax rate of .25 percent.*

For example, a sales price of **\$750,000:**



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

The next **\$250,000** is taxed **1.78% (\$4,450)**

For a total excise tax of **\$12,450**



CW TITLE AND ESCROW WILL BE READY FOR YOU AND YOUR CLIENTS

The CW Fee Estimator and all other CW systems will be updated with the latest data to ensure calculations are made using the most up-to-date information beginning January 1, 2020.



QUESTIONS?

Contact your CW Account Manager with any questions you may have.