

# ALERT

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

### CHANGES ARE IN EFFECT

The Washington State Legislature has changed the way in which real estate excise taxes (REET) are calculated.

Effective January 1, 2020, Washington state is now 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.*

### CW TITLE AND ESCROW IS READY FOR YOU AND YOUR CLIENTS

The CW Fee Estimator and all other CW systems have been updated with the latest data to ensure calculations are made using the most up-to-date information. To get a quote with the CW Fee Estimator, go to [cwttitle.net/fee](http://cwttitle.net/fee) or click "quote | rates" at the bottom of our homepage.

### EXAMPLES OF WHAT THE SELLER MAY PAY

Sales price:	\$750,000	\$1.3 million	\$2 million	\$3.1 million
<b>REET</b>	1.6% For the first \$500,000 = <b>\$8,000</b>	1.6% For the first \$500,000 = <b>\$8,000</b>	1.6% For the first \$500,000 = <b>\$8,000</b>	1.6% For the first \$500,000 = <b>\$8,000</b>
<b>(Real estate excise tax)</b>	1.78% between \$500,001 - \$750,000 = <b>\$4,450</b>	1.78% between \$500,001 - \$1,300,000 = <b>\$14,240</b>	1.78% between \$500,001 - \$1,500,000 = <b>\$17,800</b>	1.78% between \$500,001 - \$1,500,000 = <b>\$17,800</b>
<b>% in 2020</b>	--	--	3.25% between \$1,500,001 - \$2,000,000 = <b>\$16,250</b>	3.25% between \$1,500,001 - \$3,000,000 = <b>\$48,750</b>
	--	--	--	3.5% between \$3,000,001 - \$3,100,000 = <b>\$3,500</b>
<b>Tax in 2020</b>	\$12,450	\$22,240	\$42,050	\$78,050
<b>Tax in 2019 (1.78%)</b>	\$13,350	\$23,140	\$35,600	\$55,180
<b>Compare</b>	Seller pays <b>\$900 less</b> in 2020	Seller pays <b>\$900 less</b> in 2020	Seller pays <b>\$6,450 more</b> in 2020	Seller pays <b>\$22,870 more</b> in 2020

*\*All calculations above have been rounded to the nearest dollar.*