
HOUSE BILL 1338

State of Washington

62nd Legislature

2011 Regular Session

By Representative Kretz

Read first time 01/19/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to requiring multiparcel real estate transactions
2 to base the real estate excise tax on the greater of assessed value or
3 purchase price; amending RCW 82.45.030; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.45.030 and 1993 sp.s. c 25 s 503 are each amended
6 to read as follows:

7 (1)(a) As used in this chapter and except as otherwise provided in
8 this section, the term "selling price" means the true and fair value of
9 the property conveyed. If property has been conveyed in an arm's
10 length transaction between unrelated persons for a valuable
11 consideration, a rebuttable presumption exists that the selling price
12 is equal to the total consideration paid or contracted to be paid to
13 the transferor, or to another for the transferor's benefit.

14 (2)(a) If the sale is a transfer of a controlling interest in an
15 entity with an interest in real property located in this state, the
16 selling price (~~(shall be)~~) is the true and fair value of the real
17 property owned by the entity and located in this state. If the true
18 and fair value of the real property located in this state cannot

1 reasonably be determined, the selling price (~~shall~~) must be
2 determined according to subsection (4) of this section.

3 (b) If the sale is a transfer between an unrelated transferor and
4 transferee and consists of five parcels or more, "selling price" means
5 the greater of: (i) The total consideration paid or contracted to be
6 paid to the transferor, or to another for the transferor's benefit; or
7 (ii) the total value determined under subsection (4) of this section
8 for the parcels. Separate sales between the same transferor and
9 transferee, or persons related to the transferor and transferee, within
10 any twelve-month period shall be aggregated for the purpose of
11 determining whether the five parcel requirement is met.

12 (3)(a) As used in this section, "total consideration paid or
13 contracted to be paid" includes money or anything of value, paid or
14 delivered or contracted to be paid or delivered in return for the sale,
15 and shall include the amount of any lien, mortgage, contract
16 indebtedness, or other incumbrance, either given to secure the purchase
17 price, or any part thereof, or remaining unpaid on such property at the
18 time of sale.

19 (b) Total consideration (~~shall~~) does not include the amount of
20 any outstanding lien or incumbrance in favor of the United States, the
21 state, or a municipal corporation for taxes, special benefits, or
22 improvements.

23 (4) If the total consideration for the sale cannot be ascertained
24 or the true and fair value of the property to be valued at the time of
25 the sale cannot reasonably be determined, the market value assessment
26 for the property maintained on the county property tax rolls at the
27 time of the sale (~~shall~~) must be used as the selling price.

28 NEW SECTION. Sec. 2. This act applies to transfers occurring on
29 or after August 1, 2011.

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