



TIME TO SELL?

New real estate excise tax and how it might affect your home sale/purchase.

The Washington state Legislature is changing the way real estate excise taxes (REET) are calculated. This change may affect the amount of excise tax you pay depending on the sale price of your property.

Currently, the 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 tiered system:

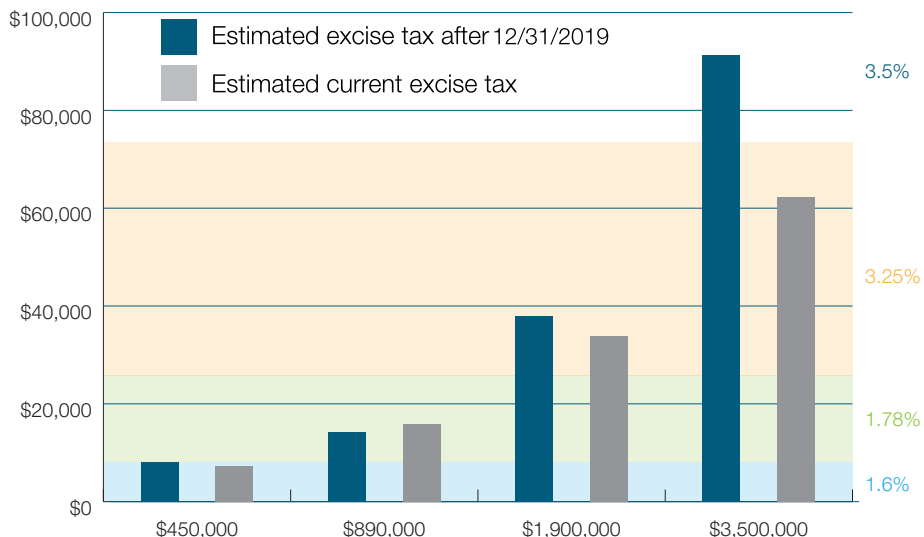
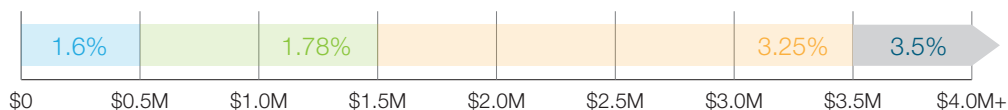
- Sales under \$500,000: 1.1% tax rate (down from 1.28%)
- Sales from \$500,000 to \$1.5 million: 1.28% tax rate (unchanged and 1.1% marginal rate on first \$500k)
- Sales from \$1.5 million to \$3 million: 2.75% tax rate (115% increase, but marginal rate increase means first \$500k @1.1%, then \$500k to \$1.5M @ 1.28%)
- Sales over \$3 million: 3.0% tax rate (134% increase, marginal rates in effect)

NEW REAL ESTATE EXCISE TAX RATES*

*Municipality tax of 0.5% included below.
Rates take effect January 1, 2020*

REET%	SALE 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 Wilenson have a lower tax rate of 0.25 percent.*



If you are thinking of buying or selling soon, now would be a great time to contact us and find out how this new legislation will affect your transaction. Whether buying or selling, knowing the effect of this excise tax could save you thousands or tens of thousands of dollars.

Contact me today to find out more.