

Washington State Real Estate Excise Tax



On April 28th, 2019, The Washington State Legislature passed a 2-year budget that will have a significant impact on most sellers of commercial and residential real estate.

Up to \$500K

1.10%



\$500K to \$1.5M

1.28%



\$1.5M to \$3.0M

2.75%



\$3.0M and Above

3.00%



What is REET?

Real estate excise tax (REET) is a tax on the sale of real estate. The real estate excise tax is typically paid by the seller of the property, although the buyer is liable for the tax if it is not paid.

The tax applies to the seller. The tax also applies to transfers of controlling interests (50% or more) in entities that own property in the state.

How are the funds used?

1.3% of the state tax collected by counties is retained to cover administration costs. Of the net proceeds to the state, 2% goes into the public works assistance account, 4.1% to the education legacy account with remaining amounts going the general fund.

Please note* Additional County and/or City Taxes Will Apply

| NEW REET Rates (Effective January 1st 2020) | |
|--|--------|
| Transaction Amount | Rate |
| Up to \$500,000 | 1.10 % |
| \$500,000 to \$1.5 M | 1.28 % |
| \$1.5 M to \$3.0 M | 2.75 % |
| \$3.0 M and Above | 3.00 % |

If you have any questions, please contact your Sales Executive or Escrow Officer for further information.