



Property Tax Review

April 2010

Volume 11, Issue 1

2010 Special Session Comes to a Close

By David Saavedra, Program Coordinator & Staff

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The 2010 Regular Session of the Washington State Legislature opened on January 11, 2010, and was originally scheduled for 60 days. Major budget issues led to Governor Gregoire calling the Legislature into Special Session. Despite the Legislature’s focus on economic matters, there were a number of property tax measures that were adopted. Of the 182 property tax bills we analyzed, 17 are being enacted into law. If there is an underlying theme to the property tax measures that did pass, it appears to be “local flexibility.” These bills provide for new local taxing authorities, update options for local annexation, revise programs that fund local infrastructure, permit electronic billing and payment of property tax, and allow nonprofits to share their property with the community for farmer’s markets.

We’ve provided brief profiles for each of the 16 property tax related bills that have passed and ESSB 6143, which is likely to be finalized in the last few days of the Special Session. Links are provided to the Legislature’s website, where the detailed history of each measure, staff bill reports, and the actual text of the bills are available. In the next edition of the *Property Tax Review* newsletter, we will focus on the bills that the Department of Revenue’s Property Tax Division staff will actively

implement. Until then, if you have any questions or concerns about these measures, please contact us.

David Saavedra at (360) 570-5861 or davids@dor.wa.gov

Mike Braaten at (360) 570-5862 or michaelb@dor.wa.gov

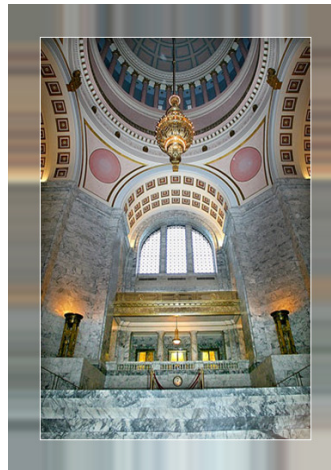
We will connect you with the property tax specialist most familiar with how each bill might affect you.

measures that Washington State committed to enacting when it came into full compliance with the Streamlined Sales and Use Tax Agreement (Agreement) and became a full member state on the Streamlined Sales Tax Governing Board. In addition, the act included improvements/safeguards in the handling of confidential information, simplified processes for taxpayers, made technical changes and removed obsolete language. On the property tax side, the act made several corrections & improvements:

Current Use: Grammatical corrections are made to the current use program, and references to surviving domestic partners are included.

Nonprofit Exemptions: Outdated references were corrected to clarify the definition of a daycare. Harborview Hospital is now included under the exemption statute for leased hospital equipment.

Senior Exemptions: Definitions of disability were clarified by correcting out-of-date references to federal definitions. The renewal requirement for the exemption is changed from every 4 years to every 6 years to allow more flexibility by the assessors in how frequently exemptions are reviewed.



E2SHB 1597 – Relating to improving the administration of state and local tax programs without impacting tax collections.

This bill focused on a wide variety of administrative issues, including a number of legislative

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Special points of interest:

- **Quarterly Reminders (see page 2)**
- **Upcoming Training (see page 3)**

This Quarter's Reminders

April 30

Personal property listing forms are due to the county assessor. Penalties apply. (RCW 84.40.020, 040, 060 and 130) Taxes are due. If taxes are less than \$50, full payment is due. If taxes are \$50 or more, one half of the payment is due. Second half payment is due October 31. (RCW 84.56.020) PUD Privilege Tax billings are issued.

May 1

Applications for forest land designation are considered approved unless assessor has notified the owner otherwise. (RCW 84.33.130) Current use farm and agricultural land applications are considered approved unless assessor has notified owner otherwise. (RCW 84.34.035)

May 31

County assessors complete valuation on all property. Property may be added later (new construction and mobile homes) after giving written notice to the taxpayer. (RCW 84.40.040)

June 1

Three percent penalty assessed on the current year's delinquent taxes. (RCW 84.56.020) PUD Privilege Tax is due.

June 30

(On or before) DOR prepares stumpage values for July through December 2010. (RCW 84.33.091) DOR determines value of state assessed property and sends tentative value notices.

July 1

Appeals to the County Board of Equalization must be filed by today or within 30 days of notification. County legislative authority may extend the deadline up to 60 days by adoption of local ordinance/rule. (RCW 84.40.038)

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2010 Special Session Comes to a Close (cont.)

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Limited Income Deferrals: The bill clarifies several interpretations made in the creation of the rules for its administration. The bill also provides that this program be reviewed in 2011 by the Citizen's Commission for Tax Preferences, instead of by the Joint Legislative Audit Review Committee.

Levies, Collections, and Appeals: A number of technical changes were made to correct outdated cross-references, correct grammatical errors and delete outdated statutes for levies & collections.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1597&year=2009>

SHB 2402 – Concerning a property tax exemption for property owned by a nonprofit organization and used for the purpose of a farmers market

This measure permits exempt church property or exempt public assembly hall property to be rented or loaned to a nonprofit that will host a farmers market on up to 53 days per year, without jeopardizing the underlying property tax exemption. The measure includes a very specific definition of a farmers market, requiring at least 5 farmers that sell their own product. In this setting, the farmers market events must also satisfy a number of criteria controlling gross revenues, the products sold and who participates as a vendor. The bill applies to property taxes levied for collection in 2011 through 2020 and these changes to the exemptions expire December 31, 2020.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2402&year=2009>

HB 2406 – Relating to updating and removing obsolete references from the statutes governing the joint legislative audit and review committee.

The Joint Legislative Audit and Review Committee (JLARC) is a joint legislative committee that works to make state government operations more effective, efficient, and accountable. This bill gives JLARC broad new authority to access books, records, files and accounts of both state & local government. The measure provides authority to administer oaths, issue subpoenas, compel attendance of witnesses and the production of any papers, books, accounts, documents and testimony. This authority also provides access to confidential records needed to discharge JLARC's performance audit duties. However, confidential records are to remain confidential. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2406&year=2009>

ESHB 2776 – Relating to funding distribution formulas for K-12 education

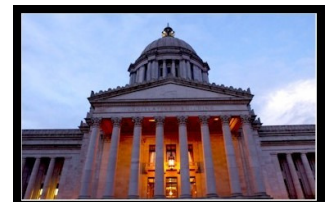
This bill has to do with funding distribution formulas for K-12 education and creates a working group, which requires DOR participation and support. The group is tasked with examining local school district facility capacity in order to phase in full day kindergarten and reducing K-3 class sizes; and provide the Quality Education Council with analysis on the use of local funds that may become available as a result of increased state allocations for pupil transportation and maintenance, supplies and operating costs. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2776&year=2009>

SHB 2893 - Changing school levy provisions.

This measure permits school districts to seek higher amounts in voter-approved levies in certain circumstances. It allows additional funding for local school districts by: **Adjusting** the levy base for local districts to restore funding for I-728 & I-732; **Increasing** the levy authority percentage to 28% for 2011 – 2017; **Allowing** school districts to impose additional concurrent M&O levies when the legislature enacts bills that increase districts' levy base or maximum levy percentage; and **Increasing** the local effort assistance percentage from 12% to 14%. Most changes expire in 2018 and revert to current restrictions. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2893&year=2009>

SHB 2962 - Allows county treasurers to use electronic bill presentation and payment that includes an automatic electronic payment option for property taxes

This bill authorizes the county treasurer to create optional systems for the collection of taxes, assessments, fees, rates and charges using electronic billing and payment. The electronic billing and payment may be monthly



(Continued on page 3)

~ 2010 ~ Upcoming Training

(State/County Personnel ONLY)

April 20 21

Ratio Study/Statistics Workshop
Ellensburg \$125

April 28

Personal Property Update
WEBINAR \$50

May 19 20

Current Use Basic
WEBINAR \$75

May 26

Current Use Advanced
WEBINAR \$50

June 8 9

Board of Equalization New Members
Moses Lake *FREE*

June 10

Board of Equalization Senior Members
Moses Lake *FREE*

June 15

Board of Equalization Senior Members
Olympia *FREE*

June 17

Board of Equalization Senior Members
Location To Be Determined *FREE*

July 14

Senior Exemption/Deferral Workshop
Spokane \$75

July 15

Senior Exemption/Deferral Workshop
Tri Cities \$75

July 21

Senior Exemption/Deferral Workshop
Smokey Point \$75

July 28

Senior Exemption/Deferral Workshop
Olympia \$75

For further information, contact:

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2010 Special Session Comes to a Close (cont.)

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or on some other periodic basis as determined by the county treasurer. The county treasurer must electronically provide a payment agreement which must be approved by the taxpayer prior to the taxpayer being sent an electronic bill.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2962&year=2009>

SHB 3066 - Creating uniformity among annual tax reporting survey provisions.

The bill creates uniform reporting requirements for those persons who are required to prepare an annual report while eliminating redundant statutes and language for applicants claiming property tax exemptions under RCW 84.36.645 (property tax exemption for M&E used in manufacturing semiconductor materials) and under RCW 84.36.655 (property tax exemption for buildings, M&E, and other personal property used for manufacture of superefficient airplanes.)

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=3066&year=2009>

ESSB 6143 - Relating to revenue and taxation

This is a major piece of legislation dealing broadly with revenue and taxation. As of April 6, this bill is still being debated and amended by both houses of the legislature in special session. It is expected to pass in some form. Three sections that may survive this process are property tax related: Section 411 amends the B&O credit for property taxes paid for the manufacture of commercial airplanes. Section 1401 defines gross revenues for public utility privilege tax to include any regularly recurring charge billed to consumers as a condition of receiving electric energy. Section 2202 extends B&O credit against property taxes paid for aluminum smelters until 2017.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6143&year=2009>

ESSB 6241 – Relating to creating community facilities districts

Community Facilities Districts are created as a new type of taxing authority, for the purpose of financing community facilities and infrastructure. All landowners within the district must sign a petition authorizing formation of the district. The district is authorized to impose special assessments and revenue bonds. DOR will write rules in order to clarify how special assessments should be collected and how to handle delinquencies or refunds.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6241&year=2009>

SSB 6271 - Relating to annexations by cities and code cities located within the boundaries of a regional transit authority

If a city or code city is located within a regional transit authority, and the city or code city annexes territory, the regional transit authority boundaries change at the same time as the city. The city is responsible for notifying the authority of the change.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6271&year=2009>

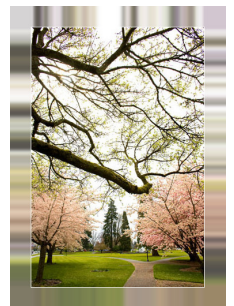
ESB 6287 - Relating to the disposition of existing voter-approved indebtedness at the time of annexation of a city, partial city, or town to a fire protection district

If a city is annexed to a fire district, property owners in the city, who are now also in the fire district, continue to pay any pre-existing city levy for fire protection facilities, along with a fire district levy that is already in place.

This bill creates an express exemption from any pre-existing fire district levy for fire protection facilities, if a city is annexed to a fire district and property in the city is subject to a pre-existing city levy for fire protection facilities.

The purpose of this bill is to assure that property within a city that annexes into a fire district is not subject to more fire protection-related property tax than other property that is within the district but outside the city.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6287&year=2009>



(Continued on page 4)

This Quarter's Reminders

(Continued from page 2)

July 12

(On or before the second Monday) County officials and local taxing districts begin preparing estimated budgets for submission to county auditor or chief financial officer, if in a charter county, on or before the second Monday in August. (RCW 36.40.010)

July 15

County Boards of Equalization meet in open session. Minimum session is three days; maximum session is four weeks. They may meet earlier if authorized by county commissioners. (RCW 84.48.010) Requests for hearings on state's assessment of public utility property are due. (RCW 84.12.340) (Ten working days after June 30.)

July 16

Hearings on state assessment of public utility property begin, continuing through July 29. (Eleven working days after June 30.)

For a complete version of the *Property Tax Calendar*, visit the Department of Revenue's website at this link: http://dor.wa.gov/Docs/Pubs/Prop_Tax/PropCal.pdf ♦

2010 Special Session Comes to a Close (cont.)

(Continued from page 3)

SSB 6379 – Streamlines and makes technical corrections to vehicle and vessel registration and title provisions. Amends provisions relating to senior deferral and limited income deferral programs.

This measure makes several changes that may affect property tax administration. It changes the terminology "certificate of ownership" to "certificate of title". It requires payment of all taxes prior to transfer of ownership of a manufactured home. . DOL is obligated to notify the county assessor of a change in ownership or location of manufactured home. DOL may adopt rules to implement this section. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6379&year=2009>

SB 6418 - An act relating to cities and towns annexed to fire protection districts

The bill increases the population limitation of a city or town being annexed into a fire district from 100,000 to 300,000. The bill removes certain limitations as to where a fire protection district can be established. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6418&year=2009>

E2SSB 6609 - An act relating to infrastructure financing for local governments.

The local revitalization financing (LRF) program is revised to increase the funding for public improvements within a designated, revitalization area. Incremental local sales and use tax revenues and incremental local property tax revenues are measured and used with state matching funds to pay the bonds necessary finance the construction. On the property tax component of this program, several changes were made. The changes:

Clarify what taxing districts can participate in the LRFT and LIFT program rather than stating which taxing districts cannot participate in the programs;

Allow Community Revitalization Financing (CRF) and LRF areas to overlap under certain conditions;

Update the definition of "participating taxing district" to include a taxing district that has a revitalization area wholly or partially within its geographic boundaries; levies or has levied for regular property taxes a defined in RCW 39.104.020; has not taken action as provided in RCW 39.104.060(2);

Define "bond" as a note or other evidence of indebtedness, including but not limited to a lease-purchase agreement or an executor conditional sales contract;

Provide flexibility for participating local governments and districts to choose how they participate; and

Require the sponsoring local government must notify the county assessor of each participating taxing authority and participating taxing district. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6609&year=2009>

(Continued on page 5)

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- the next edition of the Property Tax Newsletter is published,
- a new Property Tax Special Notice is issued,
- revisions are made to Property Tax WAC Rules,
- the latest Property Tax Valuation Guidelines are released

. . . simply visit the link below and join any of our e mail distribution lists. While you're there, check out the other distribution lists available from the Department of Revenue. You might find other topics of interest. ♦

<https://fortress.wa.gov/dor/efile/SecureForms/content/contactus/email/listservemail.aspx>

2010 Special Session Comes to a Close (cont.)

(Continued from page 4)

SSB 6712 - Extends expiring tax incentives for certain clean alternative fuel vehicles, producers of certain biofuels, and federal aviation regulation part 145 certificated repair stations

This bill extends tax incentives passed in prior legislative sessions that were about to expire. These included property tax and leasehold tax exemptions for qualified manufacturing facilities for the production of renewable fuels. Property used primarily in the manufacturing of alcohol fuel, wood biomass fuel, biodiesel fuel, or biodiesel feedstock are currently exempt from property tax and leasehold excise tax for six years. Claims for these exemptions may now be made through December 31, 2015.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6712&year=2009>

ESSB 6737 - Providing an exemption for property tax for aircraft used to provide air ambulance service

Aircraft used in the state are subject to either an annual excise tax or the property tax This bill provides both a property tax exemption and an aircraft excise tax exemption for aircraft that is owned by a nonprofit exempt from federal income tax under 26 U.S.C Sec. 501 (c)(3); and used exclusively to provide emergency medical transportation services. The exemption applies to taxes levied for collection in 2011. The Act expires January 1, 2020.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6737&year=2009>

SB 6855 - Exempting community centers from property tax and imposing leasehold taxes on such property

This bill creates a property tax exemption for Community Centers that are acquired and operated by community-based, nonprofit organizations. It is specifically limited to properties that were previously owned by a school district and found to be surplus to the district's needs. The exemption is available to properties converted for the delivery of non-residential services to the community. Businesses and organizations that lease within the center will be subject to leasehold excise tax, unless their use of the property qualifies for property tax exemption. LET is paid in-lieu of property taxes at the rate of 12.84% of the market rental amount. This exemption is available within 40 years of the facility's acquisition from the school district.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6855&year=2009> ♦



Personal Property Discovery Tools for Assessors

By Pete Levine, Personal Property Supervisor



The Property Tax Division recently distributed to county assessors new and closed business lists from 2009. Business owners are required to file with their county assessor an annual listing of all their taxable personal property used for business purposes located in the county as of January 1st. As part of the discovery of business personal property, the Property Tax Division annually sends each county assessor's office a list of businesses that were newly formed or closed in their county during the previous year. These lists were sent recently to all county assessors for new and closed businesses in 2009, to each respective county. The list includes business owner names and addresses, and is an option for the assessor to educate new business owners regarding personal property tax, as well as a tool for discovery of unreported business assets in the county. For businesses that have ceased operation during the previous year, assessors can use the list to confirm that the business has closed.

If you have any additional questions, please feel free to contact Pete Levine, Personal Property Supervisor, at (360) 570-5884 or by e-mail at PeteL@dor.wa.gov. ♦

2009 Levy Audit Findings

By Annette Hargadon, Levy Auditor

During the 2009 levy review process, one area that consistently caused concern was in relation to taxing districts' completion of the resolution/ordinance authorizing an increase in the levy. At times, districts authorize a dollar and percentage increase over an amount that has no relation to the amount levied in the previous year. When this occurs, we encourage assessors to work with the taxing districts to determine the districts' intent. The contact should be documented so there is a clear record of the amount to be levied.

We also discovered that refunds from the previous year are occasionally excluded from either the resolution/ordinance or the calculation of the actual levy limit. The district's resolution/ordinance should reflect the dollar increase and percentage change over the previous year's actual levy according to RCW 84.55.120. The statute does not exclude any portion of the previous year's levy; it simply states "the levy from the previous year." Therefore, the calculation of the actual levy limit begins with the previous year's actual levy amount, which includes refunds.

The purpose of adopting a resolution/ordinance under RCW 84.55.120 is twofold:

- First, by adopting a resolution, the district is allowed to increase its levy by up to 1 percent over the highest lawful levy since 1985.
 - Taxing districts with a population under 10,000 may increase the levy by 1 percent.
 - Taxing districts with a population of 10,000 or more may increase the levy by the lesser of 1 percent or the rate of inflation. (By adopting a separate resolution/ordinance with a finding of substantial need, these larger districts may increase the levy by more than the rate of inflation, up to a maximum of 1 percent.)
- Second, the resolution provides disclosure of the amount by which a taxing district is increasing its levy.

To assist taxing districts, the Department of Revenue offers a resolution/ordinance template that meets the requirements of RCW 84.55.120. The template can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/OrdinanceResolution.doc>

If you have questions, please contact Annette Hargadon at (360) 570-5891 or by e-mail at AnnetteH@dor.wa.gov. ♦



Got a Property Tax Question?



Please send in that "Nuts & Bolts" question that you might have to harolds@dor.wa.gov. We'll reply to any question you submit. If it's a question that might be of interest to other readers, we'll share it here. We'll try to answer these in layman's terms and take a little of the mystery out of property tax. A reader asked the following question. ♦

Why isn't property acquired by a Native American Tribe exempt from property tax like other government properties?

The Washington State Constitution and corresponding state statutes provide that all property in Washington is subject to property tax unless specifically exempted by law. The Constitution provides exemption for property **owned by** the United States, the state of Washington, a county or a municipal corporation. This clearly provides exemption for property owned by the United States and held in trust for Native American Tribes. However, property owned directly by a Native American Tribe (in fee) is not included in these provisions.

The property owned by other government entities, including Tribal Governments, is only exempt from property tax if the Legislature uses its authority to grant a property tax exemption. Over the years, the Legislature has created exemptions for other government entities, such as public corporations, housing authorities, tribal housing authorities, joint agencies, foreign governments and public/private endeavors. However, when the Legislature exempts these properties, they almost always put conditions or limitations into the law beyond the simple ownership requirement.

In 2004, the Legislature provided an exemption for the property owned in fee by Tribal Governments. It was limited by the requirement that the exempt property be used exclusively for "essential government services" as defined and explained in the Washington Administrative Code (WAC 458-16-1000). This exemption generally does not apply to properties used for economic development or commercial purposes. ♦

Personal Property Frequently Asked Questions for Rental Equipment

By Pete Levine, Personal Property Supervisor

We periodically receive questions regarding the assessment of rental equipment – generally rental service store equipment, as well as rent to own furniture stores and others. We would like to take the opportunity to answer some of the FAQs we have received.

When personal property assets are rented, such as various tools and equipment, are those assets assessable for property tax purposes?

The answer is “yes.” Rental assets, whether held or owned for short-term rental (generally less than 30 days), or long-term rental/lease, are assessable for property tax purposes and are to be valued at 100 percent of their true and fair market value.

What if the rented or leased equipment is “always for sale,” or could be purchased by the lessee/renter at any time – would the equipment be exempt as inventory?

The answer is “no.” While business inventories held for sale in the normal course of business are exempt from property tax under RCW 84.36.477, rental equipment is not.

Specifically, “*business inventories’ does not include...property held within the normal course of business for lease or rental for periods of less than thirty days.*” RCW 84.36.477(2)(iii)

If rental assets are taxable, how are those assets handled for property tax purposes and how does the assessor value equipment?

Washington law requires all property be assessed and appraised at 100 percent of the true and fair market value. As a result, RCW 84.40.040 requires owners, users, and persons in control of personal property to list their assets with the county assessor every year, as of January 1st. As part of listing personal property, the owner must include the date of purchase, acquisition cost (including all costs associated with making the property operational), and a description of the property.

The Department of Revenue annually publishes “*Personal and Industrial Valuation Guidelines*” (Guidelines) to assist counties in estimating values for tangible property. The Department recommends that assessors consider the guidelines in the valuation process in order to promote and improve statewide uniformity and standardization in the assessment of personal property. As well, in the case of personal property, boards have further ruled that the market value of assets in use in a business is to be assessed at the value-in-use level, sometimes called the “value in continued use.”

I see in the Guidelines under the *Rental Equipment* index, there is *Public U-Rent (excluding Heavy Equip)* and *Rental of Heavy Equipment*. What is the difference?

As a general rule of thumb, *Public-U-Rent* rental equipment is the type rented from a rental service store which can be placed in the back of a pickup. Whereas “heavy” type equipment is commonly transported on a trailer or a larger vehicle. Some notable examples of “heavy” equipment include backhoes, dozers, scissor-lifts, skidsteers, etc.

While not always a specific delineation between *Heavy* vs. *Public-U-Rent*, the assessor makes the final determination given the particulars of the equipment for the category and table reflects the corresponding economic life for the asset. In nearly all cases, “heavy” equipment is the type of equipment that has a long life, regardless of whether rented or not.

I now see under the *Rental Equipment* index, *Rented Medical Equipment for 2010* – is this new?

While added for clarification purposes in the Guidelines in 2010, the Department’s position and advice to stakeholders for *Rented Medical Equipment* has been to value that equipment by type, rather than the *Public U-Rent* index.

What about rent to own furniture, where there’s an option to buy the furniture. Are those assets taxable or exempt?

There are two considerations to keep in mind. First, the owner of the furniture is ultimately responsible for the property tax. There is an exemption for one’s “household goods, furnishing, and personal effects” in RCW 84.36.110 (further delineated in WAC

New Faces & New Places at Property Tax

Ole Hoiby has just accepted a position as a Property & Acquisition Specialist 3 (Property Tax Appraiser) with the Property Tax Division's Ratio Valuation Team. Ole comes to us as a licensed Certified Real Estate Appraiser who also knows his way around a printing press. Despite working at two careers in recent years, he brings great enthusiasm and a sense of humor to the Everett field office. His office mates anxiously wait for Ole to disclose whether he roots for the Dawgs or Cougs. Ole can be reached at (425) 356-4836 or OleH@dor.wa.gov.



Ole Hoiby

The Valuation Advisory Team has announced that **Linda Thomas** has been selected for the Property & Acquisition Specialist 5 position in our Richland field office. Linda first joined the Division in July of 2008 in the Ratio Valuation Section. Linda is experienced in commercial real estate and has 10+ years experience as a commercial appraiser in Oregon. After a successful year and a half with the Ratio Section, Linda will now do great things for the Advisory group. She can be reached at LindaTh@dor.wa.gov or (509) 734-7548.



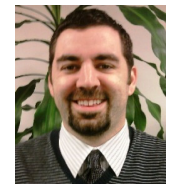
Linda Thomas

Jay Jetter has accepted an appointment to the Tax Policy Specialist 4 position in the Property Tax Division. Jay arrived on March 1st and will assume the mantle of property tax counsel for Jim Winterstein, who is retiring soon. Jay received his undergraduate degree from Northwestern University and his law degree from the University of Arizona. Employed by the Department of Revenue's Interpretations & Technical Advice (ITA) Division for the past 2 years, he has provided legal, technical, and policy advice to the Department's Executive Division, Department personnel, and tax practitioners on a wide variety of sales and excise tax issues. He is also familiar with property tax laws and concepts, having been assigned responsibility for Real Estate Excise Tax for ITA. Before joining DOR, Jay was a Tax Counsel for the Arizona Department of Revenue. Please congratulate Jay at JayJ@dor.wa.gov or (360) 570-5335.



Jay Jetter

Corey Gunnerson accepted a promotion to a Property & Acquisition Specialist 4 position for the Ratio Valuation Section in the Everett field office. Corey is a graduate of Western Washington University with a Bachelor's Degree in Accounting. In 2003, he started his career with DOR as a Revenue Auditor. During his time in the Audit Division, Corey dealt with a wide variety of taxpayers, helped train new auditors, wrote detailed audit narratives dealing with complicated tax issues, and has audited many complex and unique business types. Corey made the switch to Property Tax last year and has already earned a reputation for hard work, teamwork, and an upbeat attitude. You can reach Corey at CoreyG@dor.wa.gov or (425) 356-4871.



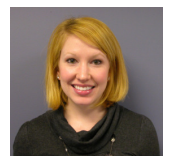
Corey Gunnerson

Jennifer Lundin has joined the Property Tax Division as an OA-3 on the Support Staff Team in the Olympia office. Jennifer comes to us from a shipping company, where she is the Import/Purchasing Coordinator. She has an extensive background in office administration and is creative in her approach to learning and helping to solve issues. Jennifer's friendly nature and her quest to add a personal touch to dealings with the public and fellow employees will make her a definite asset to the team and office. You may contact Jennifer at JenniferLu@dor.wa.gov or (360) 570-5900.



Jennifer Lundin

Tarah Downs has joined the County Performance and Administration Section as a PAS 3 assigned to the annual revaluation work group. Tarah came to us from the Department of General Administration where she worked in the Procurement & Contracts and Real Estate Divisions. Tarah is a graduate of WSU with a degree in Communications. She has held a real estate license, which has been in inactive status while a state employee. Tarah has a reputation for bringing enthusiasm to her workplace, with a strong desire to contribute, and success working with both property owners and government entities. Tarah can be welcomed at TarahD@dor.wa.gov or (360) 570-5899.



Tarah Downs

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New Faces & New Places at Property Tax (cont.)

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T. J. Mains has just accepted an appointment as the newest member of the Property Tax Division's Ratio Program at our Richland office. T.J. comes to us from the Benton County Assessor's Office where he has been a farm & agricultural appraiser and a residential appraiser for the past 4 years. He is a graduate from Washington State University (*Go Cougs*) with degrees in Social Science and Business Administration. T.J. is known for his hard work, easy-going personality, and great customer service skills. T.J. can be reached at TJM@dor.wa.gov or (509) 734-7547. ♦

Personal Property Frequently Asked Questions for Rental Equipment (cont.)

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458-16-115), where furniture might be an item exempt as one's household goods, if normally found in or about a residence. However, this exemption would not apply to rented furniture if it was not owned by the homeowner.

If the "rent to own furniture" lease agreement met the criteria of a security agreement (i.e. a financial arrangement used to purchase property), as specified in the Property Tax Advisory (PTA) 10.1.2009, then the rental customer would be the owner of the furniture. In that case, the furniture might qualify for an exemption under RCW 84.36.110. However, if the lease is a true lease, then the rent to own company is the owner of the furniture and would not be exempt as household goods and furnishings.

Secondly, while the leasing/rental company might make the furniture available for purchase at any time or at the end of the rental, the assets would not be exempt as inventory under RCW 84.36.477(2). That is, if the furniture was leased or rented at any time during the calendar year prior to the year of assessment, it would be taxable. For example, if the year of assessment is 2010 (1/1/10), then if the furniture was leased or rented at any time during 2009, then it would be taxable. If it was not leased or rented in 2009 - i.e. the furniture was for sale, then it would be considered business inventory and would be exempt from personal property tax. ♦

Property Tax Special Notices

Property Tax Special Notices are generally sent to assessors, treasurers, and those stakeholders that we can identify with a specific interest in the particular topic. Prior to being issued, each Special Notice will go through an internal review process. Special Notices are posted on the Department's website at www.dor.wa.gov under Property Tax Publications. You may also receive a copy of a Special Notice by adding your name to the ListServ. This can be done by going to www.dor.wa.gov, clicking "Find Taxes and Rates," then clicking "Property Tax," and one more click to "Join E-mail Service." A notice will usually provide a contact for more information on the topic. ♦

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The Property Tax Review is published by the Department of Revenue's Property Tax Division. Comments and suggestions for featured topics should be forwarded to our newsletter editor.

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