



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

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STATE OF WASHINGTON
FILED

DATE: December 04, 2018

TIME: 1:27 PM

WSR 18-24-103

Agency: Department of Revenue

Effective date of rule:

Permanent Rules

- 31 days after filing.
 Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain:

Purpose: The new WAC 458-61A-218 adds to the Real Estate Excise Tax (REET) rules a description of the new REET exemption for low-income housing contained in EHB 2444 in 2018, codified in RCW 82.45.010(s).

Citation of rules affected by this order:

New: WAC 458-61A-218
Repealed:
Amended:
Suspended:

Statutory authority for adoption: RCW 82.45.150, RCW 82.32.300, and RCW 82.01.060(2)

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 18-20-053 on September 26, 2018 (date).
Describe any changes other than editing from proposed to adopted version: None

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: N/A
Address:
Phone:
Fax:
TTY:
Email:
Web site:
Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Federal rules or standards:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Recently enacted state statutes:	New	<u>1</u>	Amended	<u>0</u>	Repealed	<u>0</u>

The number of sections adopted at the request of a nongovernmental entity:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted on the agency's own initiative:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted using:

Negotiated rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Pilot rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Other alternative rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

Date Adopted: December 4, 2018

Name: Erin Lopez

Title: Rules Coordinator

Signature:



NEW SECTION

WAC 458-61A-218 Low income housing. (1) **Introduction.** Transfers of qualified low-income housing developments are not subject to the real estate excise tax. Transfers of controlling interests in qualified low-income housing developments are also not subject to the real estate excise tax. The real estate excise tax does apply to such transfers if, due to noncompliance with federal statutory requirements, the seller is subject to recapture, in whole or in part, of its allocated federal low-income housing tax credits within the four years prior to the date of transfer. RCW 82.45.010(3).

(2) **Definition.** For purposes of this section, "qualified low-income housing development" means real property and improvements in respect to which the seller or, in the case of a transfer of a controlling interest, the owner or beneficial owner, was allocated federal low-income housing tax credits. These are tax credits authorized under 26 U.S.C. Sec. 42, or a successor statute, and allocated by the Washington state housing finance commission.

(3) **Expiration.** This section does not apply to transfers of, or transfers of controlling interests in, qualified low-income housing developments occurring on or after July 1, 2035.

(4) **Refund limitation.** Refunds are not authorized for any tax liability imposed or authorized under chapter 82.45 or 82.46 RCW, and properly paid before July 1, 2018, with respect to a transfer of qualified low-income housing as defined in RCW 82.45.010 (3)(s).