Chapter 17
Property Tax

Property Tax Exemptions – General Information

Property taxation

Washington taxes all property unless the law specifically exempts the property. County Treasurers collect property taxes for all taxing districts on a calendar year basis. Property taxes include:

- State property taxes, used to help fund public schools; and,
- Local property taxes, which fund services and programs provided by counties, cities, fire districts, school districts, and library districts, etc.

The assessed value of real and personal property is public information. Estimates that rely only on public information will show an impact even if there are fewer than three taxpayers using an exemption. However, confidential income data and personal property asset lists may not be released. Estimates using confidential income data or asset lists with fewer than three taxpayers are not disclosable and will have a "D" for the impact.

Maximum tax rates

The law sets maximum tax rates for state and local property taxes, but usually the taxing district's budget creates limitations on total property taxes. For this reason, Washington's property tax system was strictly a budget-based property tax system until 2018. Under a budget-based system, a property tax exemption shifts the tax to other property owners. For property taxes collected in 2018 thru 2021, the Legislature changed the state property tax levy (part 1 and part 2) to a rate-based system. Meaning a property tax exemption that starts for taxes collected in 2018 thru 2021 results in a loss of state revenue. All local property taxes remain budget-based.

The County Assessors spreads property taxes across the taxable property in the district based on the total value of taxable property in the district. This establishes the taxing district's property tax rate. However, taxing districts overlap, so the law also limits the total property tax rate for an area. The Assessor decreases rates in a specific order based on the total rate for a given area.

Tax shifts

A ***tax shift*** results when exempting property from:

- State taxes collected before 2018;
- State taxes collected during 2022 or after; or,
- Local taxes.

A ***tax shift*** happens because the total property value decreases by the value of the exempted property causing the property tax rate to increase when the Assessor spreads the taxes across the taxable property in a district. While the exempt taxpayer now pays no property taxes, the taxes *shift* to other taxpayers who pay more taxes due to the increase in the rate. However, when the rate increases it can hit the maximum rate for the district or the total property tax rate for the area. This results in a ***tax loss*** to the taxing districts because the rate cannot increase beyond the rate limitations.

Exempting property from part 1 and/or part 2 of the state property tax between 2018 and 2021 results in a loss of state revenue.

If the Legislature repeals a local property tax exemption or a state property tax exemption after 2021, the total property value increases causing the property tax rate to decrease. This *shifts* taxes back to the exempt property owner causing other taxpayers to pay less. If the rate limitations limited the rate prior to the removal of the exemption, repealing the property tax exemption may increase taxing district revenues.

If the Legislature repeals a state property tax between 2018 and 2021, the state gains revenue. The gain continues in 2022 and beyond because the additional taxable value from removing the exemption increases the starting point for each part of the state property tax.

Assumptions

The property tax exemptions analyzed in this report use the following assumptions unless otherwise noted:

- Analyses of local property taxes show that with a repeal of a property tax exemption, 82 percent of local taxes would shift to exempt property owners and 18 percent of local taxes would increase revenue for local taxing districts.

- Unless otherwise stated, the total value exempted grows at the same rate as statewide market value as forecasted by the Economic and Revenue Forecast Council in the March 2019 forecast.

- Based on five years of state property tax collections, 53.02 percent of state property tax collections occur in April and 46.98 percent occur in October. When converting from calendar year to fiscal year, estimates assume taxpayer savings and potential revenue gains follow this trend.

- For local potential revenue gains, the Legislature repeals the property tax exemption beginning with property taxes due in Calendar Year 2021, so the estimated local potential revenue gains for Fiscal Year 2021 include only the increase in April 2021 collections.

82.48.110 - General aviation

Description

Provides a property tax exemption for general aviation aircraft when aircraft excise tax is paid.

Purpose

To eliminate double taxation.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$1.301	$1.437	$1.486	$1.526
Local Taxes	$4.069	$4.255	$4.449	$4.653

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022 the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.778	$1.472	$1.488
Local Taxes	$0.000	$0.217	$0.417	$0.434

Repealing this exemption results in a state levy shift of an estimated $40,000 and a local levy shift of an estimated $4.2 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $492.7 million.

Data Sources

- Department of Transportation aircraft registration data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

82.48.110 - General aviation

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1949
Primary Beneficiaries:	Owners of general aviation aircraft registered with Department of Transportation
Taxpayer Count:	6,600
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2009

84.14.020 - Multi-unit urban housing

Description

Real property associated with the construction, conversion or rehabilitation of qualified, multi-unit residential structures located in a targeted residential areas contained within an urban growth centers are exempt from property tax for up to twelve years. Cities with a population of 5,000 or more are eligible to establish the target areas; smaller cities may participate if they are the largest city or town located in a county that is required to plan under the Growth Management Act.

Purpose

Encourages the development of affordable privately-owned residential units in urban areas.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$25.007	$29.265	$31.995	$34.486
Local Taxes	$78.085	$86.675	$95.834	$105.154

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$16.350	$30.943	$31.232
Local Taxes	$0.000	$4.543	$8.989	$9.812

Repealing this exemption results in a state levy shift of an estimated $35.9 million and a local levy shift of an estimated $95.3 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $11.4 billion.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- Property Tax state levy model

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1995
Primary Beneficiaries:	Owners of qualifying multi-unit residential structures
Taxpayer Count:	250
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.14.020; 84.14.040(1)(d)(i) - Multi-unit urban housing in rural counties

Description

Provides a property tax exemption for new, expanded, or updated multifamily housing in targeted areas of rural counties. Mason County is currently the only county qualifying under the definition of 'Rural County'.

The housing must have at least four units and include affordable housing. The property remains exempt for eight to twelve years, depending on the percent of affordable units. Affordability and income limits are defined by Mason County.

Purpose

Stimulate construction of multifamily housing in target areas of rural counties where housing options, including affordable housing options are limited.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

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Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- Mason County is currently the only county that qualifies for this exemption.
- There are currently no participants taking this exemption.
- There are no participants in this exemption during the study forecast period.

Data Sources

Mason County Assessor's Office

84.14.020; 84.14.040(1)(d)(i) - Multi-unit urban housing in rural counties

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	2014
Primary Beneficiaries:	Multifamily unit developers
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2018

84.25.040 - Targeted urban industrial or manufacturing new construction

Description

The new construction value of qualifying industrial or manufacturing facilities is exempt from certain levies. This exemption does not apply to the state property tax levy. It only applies to county property taxes with the approval of the governing body of that county. The exemption is valid for ten years and no new application may be made after December 31, 2022.

Qualifying industrial manufacturing facilities must be located in counties with a population between 700,000 and 800,000. Within a qualified county, the facilities must be located in cities with a population of 18,000 or larger, and are north or east of the largest city in the county. The qualified facilities must also be located within or contiguous to an innovation partnership zone, foreign trade zone, or EB-5 regional center.

Purpose

To promote new manufacturing and industrial uses on undeveloped or underutilized lands zoned for industrial and manufacturing uses in targeted urban area.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

84.25.040 - Targeted urban industrial or manufacturing new construction

Assumptions

- No applications for this property tax exemption have been received.
- No qualifying city has created a process for those interested to apply for this property tax exemption.
- Exemption is not being used and will not be used by the last date to apply.
- The exemption does not apply to the state levy.

Data Sources

None

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2005
Primary Beneficiaries:	Owners of certain manufacturing or industrial properties
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.26.070 - Historic property rehabilitation

Description

Eligible historic property receives a special valuation upon approval of the owner's application. The taxable value may have rehabilitation costs that exceed twenty-five percent of its assessed value excluded for ten years.

Purpose

Encourages the renovation of historic buildings while preserving their architectural and cultural value.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.897	$0.991	$1.025	$1.053
Local Taxes	$2.806	$2.934	$3.068	$3.208

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.537	$1.015	$1.026
Local Taxes	$0.000	$0.150	$0.300	$0.300

Repealing this exemption results in a state levy shift of an estimated $27,000 and a local levy shift of an estimated $2.9 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $340 million.
- For counties that did not respond to a survey issued by Department of Revenue in 2016, the estimated assessed value of exempt property is equal to the ratio of exempt value to total assessed value for reporting counties.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports
- Survey of County Assessors

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1985
Primary Beneficiaries:	Owners of historic property who rehabilitate the structure
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.33.040 - Timber

Description

Timber is exempt from property tax.

Purpose

Simplifying the taxation of timber.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$3.154	$3.483	$3.603	$3.701
Local Taxes	$9.866	$10.316	$10.788	$11.281

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$1.886	$3.569	$3.604
Local Taxes	$0.000	$0.526	$1.012	$1.053

Repealing this exemption results in a state levy shift of an estimated $96,000 and a local levy shift of an estimated $10.2 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $1.3 billion.

Data Sources

- Timber excise tax data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Tax Base
Year Enacted:	1971
Primary Beneficiaries:	Owners of timber and contracts to harvest timber
Taxpayer Count:	2,200
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010

84.33.140 - Forest land, statutory values

Description

This law provides a statutory formula to calculate the taxable value for forest lands designated under chapter 84.33 RCW, as bare timber land without considering the highest and best use of the land or the standing timber.

Purpose

Encourages the retention of private land in timber production and to provide uniformity in the valuation of forest land designated under chapter 84.33 RCW.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$11.945	$13.193	$13.643	$14.014
Local Taxes	$37.366	$39.071	$40.856	$42.725

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$7.144	$13.520	$13.653
Local Taxes	$0.000	$1.993	$3.832	$3.986

Repealing this exemption results in a state levy shift of an estimated $361,000 and a local levy shift of an estimated $38.7 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $4.5 billion.
- The average current use value of designated forest land is about $120 per acre, and the average market value (highest and best use) of designated forest land is approximately $860 per acre.

Data Sources

- County Assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports

84.33.140 - Forest land, statutory values

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1971
Primary Beneficiaries:	Owners of approximately six million acres of designated forest land
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.33.140(13,14) - Forest land compensating tax

Description

When removing forest land from the designated forest land program, landowners paid a compensating tax to reimburse the counties for past tax losses due to the lower land valuations associated with this program. This statute waives the compensating tax for removing forest land in the following situations:

- Transferring the land to a government entity in exchange for other forest land in Washington;
- Taking the land through eminent domain or threat of eminent domain;
- Donating the title, development rights, or right to harvest to a government agency or organization qualified under RCW 84.34.210 and 64.04.130;
- Selling or transferring the land to a government entity or nonprofit nature conservancy for conservation purposes, such as state natural area preserve purposes;
- Transferring the land to the parks and recreation commission;
- Official action by a Washington State agency or the county or city in which the land is located that disallows the present use of the land;
- Creating or transferring a forestry riparian easement;
- Creating or transferring a conservation easement of private forest lands within a migration zone or containing critical habitat for threatened or endangered species;
- Transferring the land within two years of the death of the owner of at least 50% interest in the land and if the land was classified continuously since 1993; or,
- Discovering that the land designation is in error through no fault of the owner.

This statute waives the compensating tax for removing forest land in a county with a population of more than 600,000 or in a county with a population of at least 245,000 that borders Puget Sound if the land transfers to a government entity or nonprofit historic preservation or nature conservancy organization. The organization must use the land to protect or enhance public resources, or preserve, maintain, improve, restore, limit the future use of, or otherwise conserve for public use or enjoyment.

Purpose

Encourages land transfers for conservation purposes and avoids penalizing owners for events that occur outside of their control.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.252	$0.264	$0.275	$0.286
Local Taxes	$0.929	$0.974	$1.015	$1.056

84.33.140(13,14) - Forest land compensating tax

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.264	$0.275	$0.286
Local Taxes	$0.000	$0.974	$1.015	$1.056

Repealing this exemption does not result in a state or local levy shift; the compensating tax does not influence local or state levy calculations.

Assumptions

- Total estimated exempt value is $12.7 million.
- For counties that did not respond to a 2016 survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to the value of designated forest land in reporting counties.

Data Sources

- Survey to County Assessors
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1971
Primary Beneficiaries:	Owners of property that has been removed from the designated forest land classification
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010

84.33.210(1) - Forest land special assessments

Description

Special benefit assessments do not apply to designated forest lands. This exemption applies to assessments by local improvement districts that may include forest land, as well as special benefit assessments for projects such as sewer systems, domestic water supply and road improvements. Neither local jurisdictions nor improvement districts are obligated to provide these services to the exempt forest land. However, the land owner may waive the exemption, pay the assessment, and receive the services.

Purpose

To exclude designated forest land from special benefit assessments. To reduce the obligation of local jurisdictions and improvement districts to provide services to exempt forest land.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.001	$0.001	$0.001	$0.001

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

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Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- Repealing this exemption would increase local revenues. Improvement districts levy only at the local level, so there is no revenue change to the state.
- Repealing this exemption will result in minimal local levy shift.
- For counties that did not respond to a 2016 survey issued by the Department of Revenue, taxpayer savings of exempt property is equal to the ratio of taxpayer savings to acres of designated forest land for reporting counties.

84.33.210(1) - Forest land special assessments

- Special benefit assessments are not necessarily based on the value of a property, so the value of exempted property is not relevant.
- Exempt value will grow at a rate consistent with the growth rate of the market value property.

Data Sources

- State property tax levy model
- County abstract reports
- Survey of County Assessors
- Economic and Revenue Forecast Council's March 2019 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1992
Primary Beneficiaries:	Certain owners of designated forest land
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.34.020(2) - Qualifying land used for growing plants in containers

Description

In 2014, the definition of "farm and agricultural land" expanded to include qualifying land used for growing plants in containers.

Purpose

Supports plant nurseries that are increasingly growing plants in containers.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

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Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

Since qualifying land used for growing plants in containers is defined as farm and agricultural land, this land is assessed at its current use value. This impact is part of a more comprehensive estimate of RCW 84.34.065, the impact of assigning current use value to farm and agricultural land.

Data Sources

None

84.34.020(2) - Qualifying land used for growing plants in containers

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1973
Primary Beneficiaries:	Owners of qualifying nurseries that grow plants primarily in containers
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.34.060 - Open space land, current use

Description

Open space land and timber land are valued based only on the use to which such property and improvements is currently applied and shall not be valued based on potential uses of such property. Open space land in the current use program is valued using either a public benefit rating system or the value can be no lower than the lowest per acre value of farm and agricultural land in the county. Timber land in the current use program is valued in the same way as designated forest land, using land grades and operability classes.

Purpose

Encourages the owners of open space and timber lands to keep the property in its natural state by valuing the land as it is currently being used rather than its highest and best use.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$7.849	$8.669	$8.965	$9.209
Local Taxes	$24.554	$25.674	$26.847	$28.075

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

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Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$4.694	$8.883	$8.971
Local Taxes	$0.000	$1.309	$2.518	$2.620

Repealing this exemption results in a state levy shift of an estimated $238,000 and a local levy shift of an estimated $25.5 million in Fiscal Year 2023.

Assumptions

- The total estimated exempt value is $2.97 billion.
- County assessment reflect accurate market and current use values.

84.34.060 - Open space land, current use

Data Sources

- County Assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model, March 2019

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1970
Primary Beneficiaries:	Owners of 1.3 million acres of open space and timberlands
Taxpayer Count:	Unknown
Program Inconsistency:	Land preservation could be considered inconsistent with economic development and urban renewal programs
JLARC Review:	Not reviewed by JLARC

84.34.065 - Farm lands, current use

Description

Productive capacity determines the taxable value of farm and agricultural land. Productive capacity is defined as the net cash rental capitalized at a rate of interest charged on a farm mortgage plus a component for property taxes. Market value based on highest and best use determines the taxable value of most other property in Washington. So farm and agricultural land has a reduced taxable value.

The current use value of the land where the farmer and employees reside is the prior year's average value of open space farm and agricultural land used in the county plus the value of land improvements that serve the residence.

Purpose

Encourages owners of farm and agricultural land to continue using the land for agricultural purposes.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$38.558	$42.587	$44.041	$45.240
Local Taxes	$120.623	$126.125	$131.886	$137.916

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$23.061	$43.644	$44.073
Local Taxes	$0.000	$6.433	$12.370	$12.869

Repealing this exemption results in a state levy shift of an estimated $1.2 million and a local levy shift of an estimated $125.0 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $16.08 billion.
- County assessment rolls correctly reflect both market and current use values.

84.34.065 - Farm lands, current use

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1973
Primary Beneficiaries:	Owners of 10.4 million acres of farm and agricultural lands
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.34.108(6) - Open space land classification removal - additional tax, interest, and penalty

Description

Landowners pay additional tax when removing land from the current use program to reimburse the county for past taxes lost due to the low land value associated with the program. This statute waives the additional tax for removing land from current use in the following situations:

- Transferring to a government entity in exchange for other land in Washington;
- Taking the land through eminent domain;
- Natural disaster--flood, windstorm, earthquake, wildfire, or other such calamity-- changing the use of the property;
- Official action by a Washington State agency or the county or city in which the land is located that disallows the present use of the land;
- Transferring to a church;
- Transferring to a government agency or organization in order to conserve the land for future use;
- Removing land classified as farm and agricultural land that houses farm employees or the principal residence of the farmer;
- Removing land if a new statute qualifies it for exemption;
- Creating or transferring a forestry riparian easement;
- Creating or transferring a conservation easement of private forest lands within a migration zone or containing critical habitat for threatened or endangered species;
- Selling the land within two years of the death of the owner if the land was classified as timber land continuously since 1993; or
- Discovering that the land designation is in error through no fault of the owner.

Purpose

Avoids penalizing land owners for a change in use for circumstances beyond their control, where the change in use is compatible with the purpose of the current use program, and/or where the property becomes fully exempt upon transfer to a church or upon qualifying under a new exemption.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.581	$0.610	$0.635	$0.661
Local Taxes	$3.068	$3.220	$3.355	$3.492

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

84.34.108(6) - Open space land classification removal - additional tax, interest, and penalty

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.610	$0.635	$0.661
Local Taxes	$0.000	$3.220	$3.355	$3.492

Repealing this exemption does not result in a state or local levy shift; the compensating tax does not influence local or state levy calculations.

Assumptions

- Total estimated exempt value is $41.6 million.
- For counties that did not respond to a 2016 survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to the current use value of open space in reporting counties.

Data Sources

- Survey to County Assessors
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1973
Primary Beneficiaries:	Owners of open space lands sold in these situations
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.010(1) - 2nd Narrows bridge

Description

A property tax exemption is provided for state route 16 corridor transportation systems and facilities constructed pursuant to Chapter 47.46 RCW.

Purpose

This exemption is intended to exempt any private property used in conjunction with construction and operation of the 2nd Narrows bridge in Pierce County which will span Puget Sound. When adopted, the exemption was predicated upon the assumption that the bridge would be built with private funding until construction was complete and subsequently deeded to the state. This exemption was therefore intended to lower the overall cost of the project to enhance the likelihood of private investors funding the cost of construction.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Repealing this property tax exemption would not increase revenues. There is no private property in use on the 2nd Narrows Bridge Project at this time.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

None.

Data Sources

Not applicable

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1998
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	Not applicable
JLARC Review:	JLARC completed an expedited report in 2014

84.36.010(1) - Cities and towns

Description

Real and personal property owned by municipalities is exempt from property taxation.

Purpose

Property of municipal corporations is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$194.548	$214.872	$222.212	$228.259
Local Taxes	$608.604	$636.369	$665.433	$695.860

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$116.354	$220.203	$222.373
Local Taxes	$0.000	$32.460	$62.415	$64.932

Repealing this exemption results in a state levy shift of an estimated $5.9 million and a local levy shift of an estimated $630.9 million in Fiscal Year 2023.

Assumptions

- The total estimated exempt value is $81.1 billion.
- Value of county government facilities per county general employee is same as the State of Washington facility value per State of Washington general employee.
- Dirt roads make up a large share of county road miles, so the value of county roads per mile is half the value of state owned roads per mile.
- Of county and municipal timber and forest land, 95% is owned by the county and 5% by cities and towns.

84.36.010(1) - Cities and towns

Data Sources

- U.S. Forest Service
- Washington State Employment Security Department
- Washington State Department of Transportation
- Washington State Auditor, Local Government Financial Reporting System
- Office of Financial Management, Comprehensive Annual Financial Report
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	City and towns
Taxpayer Count:	300
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Community centers, nonprofits

Description

Property tax does not apply, for forty years, to surplus property and buildings of a school district acquired by a nonprofit organization that uses the property as a community center.

Purpose

Supports the social benefits these nonprofit organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	D	D	D	D
Local Taxes	D	D	D	D

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	D	D	D
Local Taxes	$0.000	D	D	D

Assumptions

None

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.010(1) - Community centers, nonprofits

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	2007
Primary Beneficiaries:	Nonprofit community centers
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - County government

Description

Real and personal property owned by county government is exempt from property taxation.

Purpose

Property of a county government is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$214.642	$237.066	$245.164	$251.836
Local Taxes	$671.467	$702.099	$734.166	$767.736

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$128.373	$242.949	$245.342
Local Taxes	$0.000	$35.812	$68.862	$71.639

Repealing this exemption results in a state levy shift of an estimated $6.5 million and a local levy shift of an estimated $696.1 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $89.5 billion.
- Value of county government facilities per county general employee is the same as the state of Washington facility value per state of Washington general employee.
- Dirt roads make up a large share of county road miles, the value of county roads per mile is half the value of state owned roads per mile.
- Of county, municipal timber and forest land, 95 percent is owned by the county.

84.36.010(1) - County government

Data Sources

- U.S. Forest Service
- Washington State Employment Security Department
- Washington State Department of Transportation
- Washington State Auditor, Local Government Financial Reporting System
- Office of Financial Management, Comprehensive Annual Financial Report
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Counties in Washington State
Taxpayer Count:	39
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Federal government

Description

Real and personal property owned by the federal government is exempt from property taxation.

Purpose

Property of the federal government is exempt under the Washington Constitution, except to the extent that Congress specifically allows such taxation, which it has rarely done. The federal government does make certain payments in lieu of property taxes, e.g., for federal forest lands.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$118.308	$130.668	$135.131	$138.808
Local Taxes	$370.104	$386.988	$404.662	$423.166

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$70.757	$133.910	$135.229
Local Taxes	$0.000	$19.739	$37.956	$39.486

Repealing this exemption results in a state levy shift of an estimated $3.6 million and a local levy shift of an estimated $383.7 million in Fiscal Year 2018.

Assumptions

- Total estimated exempt value is $49.3 billion.
- Value of federal government facilities per federal general employee is the same as the state of Washington facility value per state of Washington general employee.

84.36.010(1) - Federal government

Data Sources

- U.S. Forest Service
- Washington State Employment Security Department
- Washington State Department of Transportation
- Office of Financial Management, Comprehensive Annual Financial Report
- U.S. Department of Defense
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1854
Primary Beneficiaries:	U.S. government, its agencies and instrumentalities
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Fire districts

Description

Real and personal property owned by fire districts is exempt from property taxation.

Purpose

Property of municipal corporations, such as fire districts, is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$3.535	$3.886	$4.018	$4.127
Local Taxes	$10.809	$11.298	$11.809	$12.344

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$2.103	$3.981	$4.020
Local Taxes	$0.000	$0.617	$1.185	$1.233

Repealing this exemption results in a state levy shift of an estimated $106,000 and a local levy shift of an estimated $11.1 million in Fiscal Year 2023.

Assumptions

The total estimated exempt value is $1.54 billion.

Data Sources

- Economic and Revenue Forecast Council March 2019 forecast
- State property tax levy model
- Fire district valuation data
- County property tax rolls
- County levy data

84.36.010(1) - Fire districts

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1933
Primary Beneficiaries:	Fire protection districts
Taxpayer Count:	358
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Foreign consulates

Description

Property owned by a foreign national government or an international commission is exempt from property taxation. To qualify, the property must serve exclusively as an office or residence for a consul or official representative of that nation and the consul or representative must be a citizen of that nation.

Purpose

Follows the principle of reciprocity, whereby a foreign nation will not tax the property of a U.S. consulate if it is used and maintained by U.S. nationals.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.030	$0.033	$0.035	$0.036
Local Taxes	$0.093	$0.098	$0.102	$0.107

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.018	$0.034	$0.034
Local Taxes	$0.000	$0.005	$0.010	$0.010

Repealing this exemption results in a minimal state levy shift and local levy shift of an estimated $97,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $12.5 million.
- Values of exempt properties will grow at a rate similar to the statewide estimated growth rate during the study period.

Data Sources

- County property assessment rolls
- Department of Revenue 2016 exemption study
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.010(1) - Foreign consulates

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1967
Primary Beneficiaries:	Foreign governments
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Port districts

Description

Real and personal property owned by port districts is exempt from property taxation.

Purpose

Property of a municipal corporation, such as a port district, is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$33.407	$36.897	$38.157	$39.196
Local Taxes	$104.507	$109.275	$114.266	$119.490

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$19.979	$37.812	$38.185
Local Taxes	$0.000	$5.574	$10.718	$11.150

Repealing results in a state levy shift of an estimated $1.0 million and a local levy shift of an estimated $108.3 million in Fiscal Year 2023.

Assumptions

The total estimated exempt value is $13.9 billion.

Data Sources

- Washington Public Ports Association
- Port of Seattle, Comprehensive Annual Report
- Port of Tacoma, Annual Report
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1911
Primary Beneficiaries:	Public port districts
Taxpayer Count:	75
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Public colleges & universities

Description

Real and personal property owned by public colleges and universities is exempt from property taxation. In addition, property leased to an institution of higher education by a nonprofit foundation established for the exclusive support of the institution is exempt.

Purpose

Property of the state government is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$58.562	$64.679	$66.889	$68.709
Local Taxes	$183.198	$191.555	$200.304	$209.463

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$34.870	$65.991	$66.641
Local Taxes	$0.000	$9.771	$18.788	$19.545

Repealing this exemption results in a state levy shift of an estimated $89.5 million and a local levy shift of an estimated $189.9 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $24.4 billion.

Data Sources

- National Center For Education Statistics - Integrated Postsecondary Education Data System
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.010(1) - Public colleges & universities

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Colleges and universities
Taxpayer Count:	44
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Public K-12 schools

Description

Real and personal property owned by school districts is exempt from property taxation.

Purpose

Property of school districts is exempt under the Washington Constitution. This reflects a longstanding legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$194.887	$215.247	$222.600	$228.657
Local Taxes	$609.666	$637.478	$666.593	$697.074

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$116.557	$220.587	$222.760
Local Taxes	$0.000	$32.516	$62.524	$65.045

Repealing this exemption results in a state levy shift of an estimated $5.9 million and a local levy shift of an estimated $632.0 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $73.8 billion.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Washington State Office of Superintendent of Public Instruction

84.36.010(1) - Public K-12 schools

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Approximately 2,100 campuses of the 295 public school districts
Taxpayer Count:	295
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Public utility districts

Description

Real and personal property owned by public utility districts is exempt from property taxation. However, public utility districts must pay a privilege tax in lieu of property tax based on the electricity they generate and distribute or based on the water and/or sewer services they provide.

Purpose

Property of municipal corporations is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$46.415	$51.265	$53.015	$54.458
Local Taxes	$145.201	$151.825	$158.759	$166.019

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$27.637	$52.303	$52.818
Local Taxes	$0.000	$7.744	$14.891	$15.492

Repealing this exemption results in a state levy shift of an estimated $71.0 million and a local levy shift of an estimated $150.5 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $18.57 billion.

Data Sources

- Washington Public Utility Districts Association, 2018 Sourcebook
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.010(1) - Public utility districts

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1931
Primary Beneficiaries:	Nonprofit utilities that provide electricity, water, wastewater services, wholesale telecommunications
Taxpayer Count:	28
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - State government

Description

Real and personal property owned by the state is exempt from property taxation.

Purpose

Property of the state government is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$117.157	$129.397	$133.817	$137.458
Local Taxes	$366.504	$383.223	$400.726	$419.049

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$70.069	$132.607	$133.913
Local Taxes	$0.000	$19.547	$37.586	$39.102

Repealing this exemption results in a state levy shift of an estimated $3.5 million and a local levy shift of an estimated $379.9 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $48.8 billion.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- 2018 Comprehensive Annual Financial Report

84.36.010(1) - State government

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Washington State
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(1) - Tribal property - Essential government services

Description

Property belonging to any federally recognized Indian tribe is exempt from property tax if the property is used exclusively for essential government services including economic development services.

Purpose

This statute is directed toward Indian tribal land owned in fee, whether located on or off the tribe's reservation. The purpose is to treat all property used for tribal government services in the same manner as land owned by local governments. "Economic development" is also recognized as an essential government service for purposes of qualifying for the exemption, and is defined to include commercial activities. Pursuant to RCW 82.29A.055, tribes that have economic development located off the reservation must negotiate and make a payment in lieu of leasehold excise tax (PILT), and private operators of these properties are subject to leasehold excise tax (LET).

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$1.207	$1.505	$1.764	$2.055
Local Taxes	$3.760	$4.458	$5.286	$6.269

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.862	$1.631	$1.645
Local Taxes	$0.000	$0.241	$0.496	$0.585

Repealing this exemption results in a state levy shift of an estimated $0.4 million and a local levy shift of an estimated $5.7 million in Fiscal Year 2023.

- Total estimated exempt value is $600.8 million.

84.36.010(1) - Tribal property - Essential government services

Assumptions

- Market value of properties receiving this exemption mirror the past value growth of other real property.
- Market value of properties receiving this exemption will mirror the forecasted growth rate going forward.
- Additional properties will receive the exemption in the future at the same rate as over the last four years.

Data Sources

- Department of Revenue exempt property system
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	2004
Primary Beneficiaries:	Indian tribes whose governmental services utilize facilities on fee land
Taxpayer Count:	24
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2016

84.36.010(1); 84.36.040(2) - Hospital districts

Description

Real and personal property owned by public hospital districts is exempt from property taxation. Additionally, property leased to and used by a hospital district or to Harborview Medical Center for hospital purposes, is eligible for the exemption so long as the benefit of the exemption transfers to the hospital.

Purpose

Property of municipal corporations is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$3.618	$3.996	$4.132	$4.245
Local Taxes	$11.316	$11.833	$12.373	$12.939

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$2.164	$4.094	$4.134
Local Taxes	$0.000	$0.603	$1.160	$1.207

Repealing this exemption results in a state levy shift of an estimated $110,000 and a local levy shift of an estimated $11.7 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $1.45 billion.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Washington Department of Health, hospital financial data

84.36.010(1); 84.36.040(2) - Hospital districts

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1945
Primary Beneficiaries:	Hospitals operated by public hospital districts or hospitals owned by a county
Taxpayer Count:	41
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.010(2) - Tribal property - Economic development

Description

Federally recognized Indian tribes in Washington receive a property tax exemption for property owned by the tribe prior to March 1, 2014, and used for economic development purposes.

This exemption expires January 1, 2022.

Purpose

Creates jobs and improves the economic health of tribal communities. Tribal property used for economic development can be on or off the reservation. This also grants tribes a similar exemption as received by state and local governments for property owned by either the state or a local government.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.164	$0.178	$0.084	$0.000
Local Taxes	$0.116	$0.117	$0.030	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.095	$0.182	$0.185
Local Taxes	$0.000	($0.383)	($0.197)	$0.000

Repealing this exemption results in no shift in the state levy and a local levy shift of an estimated $227,000 in Fiscal Year 2022.

Assumptions

- Total estimated exempt value is $65.15 million.
- Payment in Lieu of Property Tax (PILT) payments are distributed to local jurisdictions only. Estimated PILT payments are larger than property tax revenue gains from repeal of this exemption. Local jurisdictions will lose revenue when this exemption expires, or if repealed.

84.36.010(2) - Tribal property - Economic development

Data Sources

- Department of Revenue exempt property tax system
- Economic and Revenue Forecast Council's March 2019 forecast
- Property tax forecast model, March 2019

Additional Information

Additional Information	
Category:	Leasehold Excise Tax
Year Enacted:	2014
Primary Beneficiaries:	Leasehold tenant of tribal property
Taxpayer Count:	7
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.015 - Low value parcels

Description

Each parcel of real property and each personal property account that individually has an assessed value of less than $500 is exempt from property tax.

Purpose

Avoids the administrative expense of listing, valuing and collecting property tax on very small accounts.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.113	$0.125	$0.130	$0.133
Local Taxes	$0.354	$0.371	$0.388	$0.406

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.068	$0.129	$0.131
Local Taxes	$0.000	$0.019	$0.037	$0.038

Repealing this exemption results in a state levy shift of an estimated $4,000 and a local levy shift of an estimated $367,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $42.9 million.
- Assessed value of exempt property will grow at the five year average growth rate of personal property, which is 3.95 percent.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports

84.36.015 - Low value parcels

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1997
Primary Beneficiaries:	Small property owners
Taxpayer Count:	Approximately 60,000
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.36.020 - Cemeteries

Description

Land, buildings and personal property required for the administration and maintenance of public burying grounds or cemeteries are exempt from property tax. The exemption requires that such entities do not discriminate on the basis of race, color, national origin or ancestry.

Purpose

Supports the social benefits provided by burying grounds and cemeteries.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.561	$0.619	$0.641	$0.658
Local Taxes	$1.754	$1.835	$1.918	$2.006

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.335	$0.635	$0.641
Local Taxes	$0.000	$0.093	$0.180	$0.187

Repealing this exemption results in a state levy shift of an estimated $17,000 and a local levy shift of an estimated $1.8 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $212.5 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Tax Base
Year Enacted:	1989
Primary Beneficiaries:	449 parcels owned by cemeteries
Taxpayer Count:	138
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.020 - Nonprofit churches, parsonages, and convents

Description

Property tax does not apply to churches and grounds not exceeding five acres, or parsonages and convents of nonprofit recognized religious denominations. The tax also does not apply to lands, buildings, and personal property used for a public burying ground or cemetery that does not discriminate based on race, color, national origin, or ancestry. This includes lands, buildings, and personal property required for administration and maintenance.

Purpose

Recognizing the social benefits of religious organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$16.231	$17.927	$18.539	$19.044
Local Taxes	$50.775	$53.091	$55.516	$58.055

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$9.708	$18.371	$18.552
Local Taxes	$0.000	$2.708	$5.207	$5.418

Repealing this exemption results in a state levy shift of an estimated $492,000 and a local levy shift of an estimated $52.6 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $6.1 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2004
Primary Beneficiaries:	7850 parcels owned by churches
Taxpayer Count:	2,921
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.030(1)(a,c) - Nonsectarian organizations

Description

Property used for character-building, benevolent, protective, or rehabilitative social service owned by nonreligious, nonprofit organizations is exempt from property tax.

Purpose

Supporting the social programs provided by these nonprofit organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$5.667	$6.260	$6.473	$6.650
Local Taxes	$17.730	$18.538	$19.384	$20.271

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$3.389	$6.415	$6.478
Local Taxes	$0.000	$0.946	$1.818	$1.892

Repealing this exemption results in a state levy shift of an estimated $171,000 and a local levy shift of an estimated $18.4 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $2.2 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.030(1)(a,c) - Nonsectarian organizations

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1915
Primary Beneficiaries:	1402 parcels owned by nonprofit nonsectarian organizations
Taxpayer Count:	381
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.030(1)(b) - Nonprofit merchandise sales

Description

Selling donated merchandise on exempt property does not nullify the property tax exemption for character-building, benevolent, protective, or rehabilitative social services owned by nonreligious, nonprofit organizations if they use the proceeds to continue the mission of their organization.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.323	$0.357	$0.369	$0.379
Local Taxes	$1.011	$1.057	$1.105	$1.156

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.192	$0.366	$0.370
Local Taxes	$0.000	$0.054	$0.104	$0.108

Repealing this exemption results in a state levy shift of an estimated $10,000 and a local levy shift of an estimated $1.5 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $122 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.030(1)(b) - Nonprofit merchandise sales

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1989
Primary Beneficiaries:	93 parcels owned by nonprofit thrift shops
Taxpayer Count:	43
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.030(2) - Nonprofit church camps

Description

Camp facilities up to 200 acres, and owned by nonprofit churches, groups of churches, or an association of churches are exempt from property tax.

Purpose

Supports the programs provided by church-owned camps.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.647	$0.714	$0.739	$0.759
Local Taxes	$2.024	$2.116	$2.213	$2.314

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.386	$0.732	$0.740
Local Taxes	$0.000	$0.108	$0.207	$0.216

Repealing this exemption results in a state levy shift of an estimated $20,000 and a local levy shift of an estimated $2.1 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $245 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.030(2) - Nonprofit church camps

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1971
Primary Beneficiaries:	402 parcels owned by church camps
Taxpayer Count:	73
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.030(3) - Nonprofit youth organizations

Description

Property owned by nonprofit, character-building organizations serving boys and girls under the age of 18 is exempt from property tax. The exemption extends to organizations with existing charters that serve youth up to the age of 21.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.605	$0.668	$0.691	$0.710
Local Taxes	$1.894	$1.980	$2.070	$2.165

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.361	$0.685	$0.692
Local Taxes	$0.000	$0.101	$0.194	$0.202

Repealing this exemption results in a state levy shift of an estimated $18,000 and a local levy shift of an estimated $2 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $229.2 million.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports

84.36.030(3) - Nonprofit youth organizations

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1933
Primary Beneficiaries:	252 parcels owned by nonprofit youth organizations
Taxpayer Count:	76
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2007

84.36.030(4) - Veterans organizations

Description

Property owned by veterans organizations or societies that are recognized as such by the Department of Defense and have national chapters can qualify for a property tax exemption.

Purpose

Supports patriotism and the activities of veteran's organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.138	$0.153	$0.158	$0.162
Local Taxes	$0.432	$0.452	$0.473	$0.495

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.083	$0.157	$0.159
Local Taxes	$0.000	$0.023	$0.044	$0.046

Repealing this exemption results in a state levy shift of an estimated $5,000 and a local levy shift of an estimated $449,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $52.3 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.030(4) - Veterans organizations

Additional Information

Additional Information	
Category:	Tax Base
Year Enacted:	1929
Primary Beneficiaries:	155 parcels owned by veteran's organizations
Taxpayer Count:	109
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2007

84.36.030(5) - Federal instrumentalities furnishing aid and relief

Description

A property tax exemption exists for corporations created by Congress that provide:
- Volunteer aid to the armed forces; and,
- A system of national and international disaster relief.

Purpose

Supports the social benefits provided by federal instrumentalities furnishing aid and relief.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	D	D	D	D
Local Taxes	D	D	D	D

Repeal of exemption

Repealing this exemption would not increase revenues. Constitutional case law makes federal instrumentalities immune from state and local taxes.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	D	D	D
Local Taxes	$0.000	D	D	D

Assumptions

This exemption applies to fewer than three taxpayers

Data Sources

None

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1945
Primary Beneficiaries:	Federal instrumentalities furnishing aid and relief
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.030(6) - Student loan organizations

Description

Property owned by nonprofit organizations, exempt from federal income tax, that guarantee federal student loans or issue debt to provide student loans is exempt from property tax.

Purpose

Supporting the benefits these organizations provide to college students.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in no levy shifts.

Assumptions

- There are currently no organizations claiming this exemption.
- No organizations will take this exemption during the next four years.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.030(6) - Student loan organizations

Additional Information

Additional Information	
Category:	Tax Base
Year Enacted:	1989
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2012

84.36.031(2) - Nonprofit character building leases

Description

Property tax does not apply to property owned by churches and nonprofit character-building organizations that lease out or rent the property to another nonprofit, character-building organization.

Property tax also doesn't apply to property owned by an organization formed exclusively to lease the property to a nonprofit, character-building organization. The property has to have been exempt from property tax under the previous owner and the organization leasing the land gets the benefit of the exemption.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.018	$0.019	$0.020	$0.020
Local Taxes	$0.054	$0.056	$0.059	$0.061

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.011	$0.020	$0.020
Local Taxes	$0.000	$0.003	$0.006	$0.006

Repealing this exemption results in minimal state levy shift and a local levy shift of an estimated $55,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $6.5 million.

84.36.031(2) - Nonprofit character building leases

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2012
Primary Beneficiaries:	3 parcels leased by community service organizations
Taxpayer Count:	3
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.032 - Church administrative offices

Description

Property tax does not apply to real and personal property of administrative offices of nonprofit recognized religious organizations. The offices must be used in the administration of the religious programs of the organization to qualify for the property tax exemption.

Purpose

Supports the social benefits that religious organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.115	$0.127	$0.131	$0.135
Local Taxes	$0.359	$0.375	$0.393	$0.412

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.069	$0.131	$0.132
Local Taxes	$0.000	$0.019	$0.037	$0.039

Repealing this exemption results in a state levy shift of an estimated $4,000 and a local levy shift of an estimated $373,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $43.5 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.032 - Church administrative offices

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1975
Primary Beneficiaries:	35 parcels owned by religious organizations
Taxpayer Count:	14
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2011

84.36.035 - Nonprofit blood and tissue banks

Description

Real and personal property owned or leased by nonprofit organizations and used for blood banks, tissue banks, or blood and tissue banks is exempt from property tax.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.227	$0.240	$0.238	$0.235
Local Taxes	$0.713	$0.711	$0.714	$0.717

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.128	$0.242	$0.245
Local Taxes	$0.000	$0.036	$0.067	$0.067

Repealing this exemption results in a state levy shift of an estimated $9,000 and a local levy shift of an estimated $650,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $88.9 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.035 - Nonprofit blood and tissue banks

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1971
Primary Beneficiaries:	26 parcels owned by blood and tissue banks
Taxpayer Count:	4
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.037 - Nonprofit public assembly halls and meeting places

Description

Property tax does not apply to real and personal property owned by a nonprofit public assembly hall or meeting place. The property must be used exclusively for public gathers and be available to everyone. If the property is a public assembly hall then it can be up to one acre, if the property is used for annual community celebrations and mostly unimproved it can be up to 29 acres.

A farmers market can use the property for 53 or fewer days per year. Organizations providing dance lessons, art classes, or music lessons can use the property in a county with a population of less than 20,000, when rents for these activities is for capital improvements or maintenance and operation expense use only. Using the property for monetary gain does not nullify the property tax exemption if all income from the rental goes toward capital improvements, maintenance, or the exempt purpose of the nonprofit organization. This provision expires December 31, 2020.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.160	$0.177	$0.183	$0.188
Local Taxes	$0.502	$0.525	$0.549	$0.574

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.095	$0.182	$0.184
Local Taxes	$0.000	$0.027	$0.051	$0.054

Repealing this exemption results in a state levy shift of an estimated $5,000 and a local levy shift of an estimated $520,000 in Fiscal Year 2023.

84.36.037 - Nonprofit public assembly halls and meeting places

Assumptions

Total estimated exempt value is $60.7 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1981
Primary Beneficiaries:	274 parcels owned by nonprofit public assembly halls
Taxpayer Count:	216
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2011

84.36.040(1)(a) - Nonprofit day care centers

Description

Nonprofit child day care centers are exempt from property taxes on real and personal property.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.703	$0.776	$0.803	$0.825
Local Taxes	$2.199	$2.299	$2.404	$2.513

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.420	$0.796	$0.804
Local Taxes	$0.000	$0.117	$0.226	$0.235

Repealing this exemption results in a state levy shift of an estimated $22,000 and a local levy shift of an estimated $2.3 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $266.2 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.040(1)(a) - Nonprofit day care centers

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1973
Primary Beneficiaries:	166 parcels owned by nonprofit daycare centers
Taxpayer Count:	33
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.040(1)(b) - Nonprofit libraries

Description

Nonprofit free public libraries are exempt from property taxes on real and personal property.

Purpose

Supporting the social benefits that nonprofit public libraries provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.024	$0.027	$0.028	$0.029
Local Taxes	$0.076	$0.080	$0.084	$0.087

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.015	$0.028	$0.028
Local Taxes	$0.000	$0.004	$0.008	$0.008

Repealing this exemption results in a state levy shift of an estimated $1,000 thousand and a local levy shift of an estimated $79,000 in Fiscal Year 2023.

Assumptions

The total estimated exempt value is $9.3 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.040(1)(b) - Nonprofit libraries

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1854
Primary Beneficiaries:	14 parcels owned by organizations operating libraries
Taxpayer Count:	14
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1)(c) - Nonprofit orphanages

Description

Nonprofit orphanages are exempt from property taxes on real and personal property.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- All real and personal property currently exempted as an orphanage qualifies for the exemption for character building for children under 18 run by nonprofit organizations.
- Two organizations that qualified as orphanages are now incorporated into the exemption for character building for children under 18 in RCW 84.36.030(3).

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.040(1)(c) - Nonprofit orphanages

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1891
Primary Beneficiaries:	Orphanages
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1)(d) - Nonprofit nursing homes

Description

Nonprofit nursing homes are exempt from property taxes on real and personal property.

Purpose

Supporting the social benefits these organizations provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$1.903	$2.102	$2.174	$2.233
Local Taxes	$5.953	$6.225	$6.510	$6.807

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$1.138	$2.154	$2.175
Local Taxes	$0.000	$0.318	$0.611	$0.635

Repealing this exemption results in a state levy shift of an estimated $57,000 and a local levy shift of an estimated $6.2 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $721 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.040(1)(d) - Nonprofit nursing homes

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1891
Primary Beneficiaries:	339 parcels owned by homes for the sick or infirm
Taxpayer Count:	19
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1)(e) - Nonprofit hospitals

Description

Nonprofit hospitals are exempt from property taxes on real and personal property.

Purpose

Supporting the social benefits that nonprofit hospitals provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$21.351	$23.581	$24.387	$25.050
Local Taxes	$66.792	$69.839	$73.029	$76.368

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$12.769	$24.167	$24.405
Local Taxes	$0.000	$3.562	$6.850	$7.126

Repealing this exemption results in a state levy shift of an estimated $646,000 and a local levy shift of an estimated $69.2 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $8.09 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.040(1)(e) - Nonprofit hospitals

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1886
Primary Beneficiaries:	642 parcels owned by nonprofit hospitals
Taxpayer Count:	16
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1)(f) - Nonprofit outpatient dialysis facilities

Description

Nonprofit outpatient dialysis treatment facilities are exempt from property taxes on real and personal property.

Purpose

Supporting the social benefits that outpatient dialysis facilities provide.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	D	D	D	D
Local Taxes	D	D	D	D

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	D	D	D
Local Taxes	$0.000	D	D	D

Assumptions

None

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.040(1)(f) - Nonprofit outpatient dialysis facilities

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1987
Primary Beneficiaries:	31 parcels owned by outpatient dialysis centers
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.36.041 - Nonprofit homes for the aging

Description

Real and personal property owned or leased by a nonprofit home for the aging is exempt if:

- Residents occupy at least 50 percent of the dwellings;
- The federal department of housing and urban development program subsidizes the home; or,
- The home for the aging is financed in part by tax exempt bonds.

Property taxes do not apply if home financing is 75 percent tax exempt bonds and the financing requires a certain percentage of dwellings for low-income residents. The exemption lasts as long as the bonds or the requirement for low-income resident dwellings, whichever is shorter. A partial exemption applies if the home fails to qualify in its entirety. A partial exemption applies for areas jointly used by a home for the aging and a nonprofit organization that is also exempt from property taxes.

Purpose

Providing equal treatment of senior citizens who own their own homes and qualify for the senior citizen property tax exemption and those residing in homes for the aging.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$4.487	$4.956	$5.125	$5.265
Local Taxes	$14.038	$14.678	$15.349	$16.050

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$2.683	$5.080	$5.129
Local Taxes	$0.000	$0.748	$1.439	$1.497

Repealing this exemption results in a state levy shift of an estimated $136,000 and a local levy shift of an estimated $14.6 million in Fiscal Year 2023.

84.36.041 - Nonprofit homes for the aging

Assumptions

Total estimated exempt value is $1.70 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1989
Primary Beneficiaries:	405 parcels owned by retirement homes
Taxpayer Count:	32
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.36.042 - Nonprofit developmentally disabled housing

Description

Property tax does not apply to the real and personal property used by a nonprofit organization providing housing and a level of care for persons with developmental disabilities.

Purpose

Supporting the social benefits provided by these organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.164	$0.181	$0.187	$0.192
Local Taxes	$0.512	$0.535	$0.559	$0.585

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.098	$0.186	$0.188
Local Taxes	$0.000	$0.027	$0.052	$0.055

Repealing this exemption results in a state levy shift of an estimated $5,000 and a local levy shift of an estimated $530,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $65.9 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.042 - Nonprofit developmentally disabled housing

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1998
Primary Beneficiaries:	178 parcels owned by nonprofit organizations providing housing for the developmentally disabled
Taxpayer Count:	19
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.36.043 - Nonprofit homeless shelters

Description

Property taxes do not apply to real and personal property used by a nonprofit organization providing emergency or transitional housing for low-income homeless persons or victims of domestic violence who are homeless for personal safety reasons. Any charges for the housing cannot exceed the actual cost to operate and maintain the facility.

Purpose

Supporting the social services provided by these organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.637	$0.703	$0.727	$0.747
Local Taxes	$1.991	$2.082	$2.178	$2.277

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.381	$0.721	$0.728
Local Taxes	$0.000	$0.106	$0.204	$0.212

Repealing this exemption results in a state levy shift of an estimated $19,000 and a local levy shift of an estimated $2.1 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $241.1 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.043 - Nonprofit homeless shelters

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1983
Primary Beneficiaries:	379 parcels owned by homeless shelters
Taxpayer Count:	75
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.36.045 - Nonprofit medical research facilities

Description

Property taxes do not apply to real and personal property owned or used by a nonprofit corporation or association that provides facilities for medical research and training free of charge.

Purpose

Supporting nonprofit medical research and training facilities.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$5.704	$6.301	$6.516	$6.693
Local Taxes	$17.845	$18.659	$19.511	$20.403

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$3.412	$6.456	$6.521
Local Taxes	$0.000	$0.952	$1.830	$1.904

Repealing this exemption results in a state levy shift of an estimated $173,000 and a local levy shift of an estimated $18.5 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $2.2 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.045 - Nonprofit medical research facilities

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1975
Primary Beneficiaries:	23 parcels owned by medical research centers
Taxpayer Count:	10
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.36.046 - Nonprofit cancer treatment clinics

Description

Property tax does not apply to real and personal property used by nonprofit cancer prevention, detection, or treatment facilities. The property tax exemption also applies to real and personal property used by a municipal hospital corporation for cancer prevention, detection, or treatment.

Purpose

Providing equal taxation treatment for nonprofit cancer treatment clinics as for nonprofit hospitals.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.736	$0.813	$0.841	$0.864
Local Taxes	$2.303	$2.408	$2.518	$2.633

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.440	$0.834	$0.842
Local Taxes	$0.000	$0.123	$0.236	$0.246

Repealing this exemption results in a state levy shift of an estimated $22,000 and a local levy shift of an estimated $2.4 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $278.9 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.046 - Nonprofit cancer treatment clinics

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1997
Primary Beneficiaries:	21 parcels owned by cancer clinics
Taxpayer Count:	2
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.36.047 - Nonprofit radio and TV broadcast facilities

Description

Property tax does not apply to real and personal property used by nonprofit organizations that rebroadcast or amplify the transmission or reception of free radio or television signals broadcast by foreign or domestic government agencies.

Purpose

Supporting the activities of nonprofit broadcasters.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in no levy shifts.

Assumptions

Total estimated exempt value is zero.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.047 - Nonprofit radio and TV broadcast facilities

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1977
Primary Beneficiaries:	No current beneficiaries
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2011

84.36.049 - Nonprofit low-income housing development

Description

All real property owned by a nonprofit entity or qualified cooperative association for the purpose of developing or redeveloping on the real property one or more residences to be sold to low-income households, including certain land leases, is exempt from state and local property taxes.

Purpose

To reduce the cost of developing low income housing.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.044	$0.049	$0.051	$0.052
Local Taxes	$0.138	$0.144	$0.151	$0.158

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.026	$0.051	$0.051
Local Taxes	$0.000	$0.007	$0.014	$0.015

Repealing this exemption results in an estimated $2,000 state levy shift and a local levy shift of an estimated $143,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $16.7 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.049 - Nonprofit low-income housing development

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1854
Primary Beneficiaries:	205 parcels owned by a nonprofit entity or qualified cooperative association for the purpose of low-income housing development
Taxpayer Count:	14
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.050(1) - Nonprofit private colleges

Description

Property taxes do not apply to real and personal property used by private, nonprofit colleges and universities for educational or cultural purposes. The exemption applies to buildings and grounds used for educational, athletic, or social programs and housing of students and faculty. The maximum amount of real property exempted is 400 acres.

Purpose

Supporting the college education provided by nonprofit organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$4.838	$5.343	$5.526	$5.676
Local Taxes	$15.133	$15.824	$16.547	$17.304

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$2.893	$5.476	$5.530
Local Taxes	$0.000	$0.807	$1.552	$1.614

Repealing this exemption results in a state levy shift of an estimated $147,000 and a local levy shift of an estimated $15.7 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $1.8 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.050(1) - Nonprofit private colleges

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1925
Primary Beneficiaries:	673 parcels owned by nonprofit colleges
Taxpayer Count:	21
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

84.36.050(1) - Nonprofit private K-12 schools

Description

Property taxes do not apply to real and personal property used by private, nonprofit schools offering education from kindergarten through high school. The exemption applies to buildings and grounds used for educational, athletic, or social programs and housing of students and faculty. The maximum amount of real property exempted is 400 acres.

Purpose

Supporting the K-12 education provided by nonprofit organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$2.768	$3.057	$3.161	$3.247
Local Taxes	$8.658	$9.053	$9.466	$9.899

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$1.655	$3.133	$3.164
Local Taxes	$0.000	$0.462	$0.888	$0.924

Repealing this exemption results in a state levy shift of an estimated $84,000 and a local levy shift of an estimated $9 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $1.05 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.050(1) - Nonprofit private K-12 schools

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1925
Primary Beneficiaries:	405 parcels owned by nonprofit schools
Taxpayer Count:	114
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

84.36.050(2) - Nonprofit educational foundations

Description

Real and personal property owned by a nonprofit foundation that supports an institution of higher education is exempt from property tax. The tax exemption applies only to the property actively used by currently enrolled students.

Purpose

Supporting the educationally support provided by these nonprofit organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.118	$0.130	$0.135	$0.138
Local Taxes	$0.369	$0.386	$0.404	$0.422

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.070	$0.134	$0.135
Local Taxes	$0.000	$0.020	$0.038	$0.040

Repealing this exemption results in a state levy shift of an estimated $4,000 and a local levy shift of an estimated $382 thousand in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $44.6 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.050(2) - Nonprofit educational foundations

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2001
Primary Beneficiaries:	57 parcels owned by institutions of higher learning with an educational foundation
Taxpayer Count:	9
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.060(1)(a) - Nonprofit art collections & museums

Description

Property tax does not apply to the real or personal property of a nonprofit organization maintaining and exhibiting art, scientific, or historical collections. The collections must be open to the public. The exemption also applies to property used exclusively for safekeeping and maintaining the collections. To receive a property tax exemption the nonprofit organization must:

- Operate exclusively for artistic, scientific, historical, or educational purposes;
- Receive a substantial part of its support from the federal, state, or local government or public contributions.

If the property is not currently exhibiting, safe keeping, or maintaining, the collections, but will in the future, the nonprofit organization must submit proof they are constructing, remodeling, or otherwise enabling the property for exempted use.

Purpose

Supporting nonprofit museums that display art, scientific, or historical materials for the public.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.647	$0.715	$0.739	$0.759
Local Taxes	$2.024	$2.116	$2.214	$2.315

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.387	$0.732	$0.740
Local Taxes	$0.000	$0.108	$0.208	$0.216

Repealing this exemption results in a state levy shift of an estimated $20,000 and a local levy shift of an estimated $2.1 million in Fiscal Year 2023.

84.36.060(1)(a) - Nonprofit art collections & museums

Assumptions

The total estimated exempt value is $245 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1915
Primary Beneficiaries:	265 parcels owned by museums
Taxpayer Count:	99
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.060(1)(b) - Nonprofit performing arts

Description

Property tax does not apply to the real or personal property owned or leased by a nonprofit organization producing and performing musical, dance, artistic, dramatic, or literary works for the general public. To receive a property tax exemption the nonprofit organization must:

- Operate exclusively for artistic, literary, musical, dance, dramatic, or educational purposes; and,
- Receive a substantial part of its support from the federal, state, or local government or public contributions.

Purpose

Supporting nonprofit artistic, literary, musical, dance or dramatic organizations and recognizing the education and artistic contributions they make to society.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.176	$0.194	$0.201	$0.206
Local Taxes	$0.550	$0.575	$0.601	$0.629

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.106	$0.200	$0.202
Local Taxes	$0.000	$0.029	$0.056	$0.059

Repealing this exemption results in a state levy shift of an estimated $6,000 and a local levy shift of an estimated $570,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $66.6 million.

84.36.060(1)(b) - Nonprofit performing arts

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1981
Primary Beneficiaries:	71 parcels owned by performing arts organizations
Taxpayer Count:	35
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.36.060(1)(c) - Fire companies

Description

Fire engines, buildings and other equipment of fire companies of any city, town or privately owned fire company are exempt from property tax.

Purpose

Extends the property tax exemption municipal fire districts receive to cover privately-owned land on which fire districts maintain fire stations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.001	$0.001	$0.001	$0.001
Local Taxes	$0.002	$0.003	$0.003	$0.004

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.001	$0.001	$0.001
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in no state levy shift and a local levy shift of an estimated $4,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $327,000.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.060(1)(c) - Fire companies

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1890
Primary Beneficiaries:	One known fire district owning a fire station on privately-owned land
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.060(1)(d) - Humane societies

Description

Property owned and used by humane societies is exempt from property tax.

Purpose

Supports the social benefits that humane societies provide. Also, provides the same tax exempt status granted to animal shelters operated by local governments.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.117	$0.130	$0.135	$0.139
Local Taxes	$0.367	$0.386	$0.404	$0.422

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.070	$0.134	$0.135
Local Taxes	$0.000	$0.020	$0.038	$0.040

Repealing this exemption results in a state levy shift of an estimated $5,000 and a local levy shift of an estimated $383,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $44 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.060(1)(d) - Humane societies

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1915
Primary Beneficiaries:	57 parcels owned by humane societies
Taxpayer Count:	32
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.070 - Intangibles

Description

Intangible personal property receives an exemption from property tax. The definition of intangible personal property includes:

- All money and credits, such as mortgages, cash, deposits, loans and securities;
- Private personal service contracts and athletic franchises or agreements; and,
- Other intangible personal property including but not limited to trademarks, trade names, trade secrets, patents, copyrights, franchise agreements, customer lists, licenses and permits.

The law specifically excludes characteristics and attributes of real property (zoning, location, view, geographic features, etc.) from the definition of intangible personal property.

Purpose

Avoids the double taxation of tangible assets underlying certain intangible assets. The exemption also recognizes the administrative difficulty of locating and valuing such mobile assets.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$7,309.520	$8,027.764	$8,256.670	$8,434.701
Local Taxes	$22,873.959	$23,775.085	$24,724.410	$25,713.341

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$4,358.568	$8,248.721	$8,331.082
Local Taxes	$0.000	$1,211.516	$2,319.073	$2,399.363

Repealing this exemption results in a state levy shift of an estimated $103.6 million and a local levy shift of an estimated $23.3 billion in Fiscal Year 2023.

Assumptions

- The total estimated exempt value is $3.03 trillion.
- Intangible value of state assessed property will remain stable over the study period.
- The proportion of intangible property that is in Washington is equal to the share of Washington income to national income.

Data Sources

- The World Bank
- Bureau of Economic Analysis, gross domestic product and personal income data
- Report: "What Ideas are Worth: The Value of Intellectual Capital and Intangible Assets in the American Economy". By Kevin A. Hassett and Robert J. Shapiro (Sonecon)
- IHS Markit - household financial assets
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Standard and Poor's
- Department of Revenue public utility property valuations

Additional Information

Additional Information	
Category:	Intangibles
Year Enacted:	1931
Primary Beneficiaries:	Holders of intangible assets, both individuals and businesses
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

84.36.079 - Ships under construction

Description

Vessels that can carry more than 1,000 tons that are under construction and materials and parts held by the builder at the construction site for use in these vessels are exempt from property tax.

Purpose

Improves the competitive position of shipyards in Washington.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

A full repeal of this exemption would have no fiscal impact or shift on state or local property taxes as everything covered under this exemption is also exempt as business inventory under RCW 84.36.477.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

No construction of private ships of this magnitude has taken place in recent years and none is anticipated in the near future.

Data Sources

- Internet search for ship builders in Washington
- County assessors

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1959
Primary Beneficiaries:	Owners of vessels under construction
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010

84.36.080(1) - Commercial vessels

Description

Vessels used for commercial fishing or for transportation of persons or freight in interstate commerce are subject to the state property tax only and are exempt from all local tax levies.

Purpose

Promotion of ocean-going commerce and commercial fishing in Washington.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$2.134	$2.357	$2.437	$2.503
Local Taxes	$6.674	$6.979	$7.298	$7.631

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$1.276	$2.414	$2.438
Local Taxes	$0.000	$0.356	$0.684	$0.712

Repealing this exemption results in a state levy shift of an estimated $65,000 and a local levy shift of an estimated $6.9 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $889.6 million.
- Apportioned value of commercial vessels is exempt from local property tax levies.
- Estimated apportioned value for assessment year 2018 is equal to the four year average from 2014 to 2017.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Department of Revenue property tax statistics

84.36.080(1) - Commercial vessels

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1931
Primary Beneficiaries:	Owners of about 1,800 commercial vessels
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2017

84.36.080(2) - Historic vessels

Description

Ships and vessels listed on the state or federal register of historic places are exempt from property tax.

Purpose

Encourages retention and restoration of historic boats.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.032	$0.033	$0.033	$0.032
Local Taxes	$0.099	$0.099	$0.100	$0.100

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.018	$0.034	$0.034
Local Taxes	$0.000	$0.005	$0.009	$0.009

Repealing this exemption results in a state levy shift of an estimated $2,000 and a local levy shift of an estimated $91,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $12.3 million.
- Value of historic vessels remains constant.

Data Sources

- Center of Wooded Boat
- Washington Department of Archaeology and Historical Preservation

84.36.080(2) - Historic vessels

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1986
Primary Beneficiaries:	Owners of vessels listed in the state or federal register of historical places
Taxpayer Count:	21
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2012

84.36.090 - Other ships and vessels

Description

All ships and vessels, other than commercial vessels and vessels under construction, are exempt from property tax.

Purpose

Protects the owners of pleasure boats and other vessels from paying both the personal property tax and the 0.5 percent state watercraft excise tax.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$8.196	$8.458	$8.329	$8.251
Local Taxes	$25.708	$25.048	$24.937	$25.148

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$4.456	$8.433	$8.519
Local Taxes	$0.000	$1.243	$2.339	$2.346

Repealing this exemption results in a state levy shift of an estimated $269,000 and a local levy shift of an estimated $22.6 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $3.11 billion.
- Estimated value of vessels exempted by this statute is based on vessels that are assessed the watercraft excise tax which are reflective of market value.
- Watercraft excise tax and vessel registration fees will be assessed in addition to property tax if this exemption is repealed.

Data Sources

- General fund forecast, March 2019
- Property tax forecast model, March 2019

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1931
Primary Beneficiaries:	Owners of pleasure boats
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2017

84.36.105 - Cargo containers

Description

Cargo containers principally used in ocean commerce are exempt from property tax.

Purpose

To help Washington ports compete with other West Coast ports.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.531	$0.577	$0.590	$0.600
Local Taxes	$1.664	$1.709	$1.767	$1.828

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.311	$0.588	$0.594
Local Taxes	$0.000	$0.087	$0.166	$0.171

Repealing this exemption results in a state levy shift of an estimated $6,000 and a local levy shift of an estimated $1.658 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $204 million.
- The quantity of cargo containers moving through Washington's ports grows at a 3 percent rate.
- 85 percent of containers moving through Washington ports move through Port of Tacoma and Port of Seattle (2016 Study Assumption).

Data Sources

- The Northwest Seaport Alliance
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Sea Container Sales (281) 616-6860 SeaContainerSales.com

84.36.105 - Cargo containers

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1975
Primary Beneficiaries:	Owners of cargo containers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2012

84.36.110(1) - Household goods

Description

Household items and furnishings in actual use and personal effects held by the owner for personal use are exempt from property tax.

Purpose

Avoids the administrative difficulty of locating and listing household items and establishing values for used items.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$217.909	$233.831	$236.560	$237.894
Local Taxes	$682.517	$692.505	$708.334	$725.168

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$125.307	$237.146	$239.527
Local Taxes	$0.000	$34.957	$66.441	$67.668

Repealing this exemption results in a state levy shift of an estimated $1.6 million and a local levy shift of an estimated $657.5 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $87.4 billion.
- The Washington share of the national value of household goods and personal effects is equal to Washington's share of national population, which is a little more than 2.2%.
- Washington population will grow near 0.8% annually.
- Value of household goods and personal effects will grow approximately 1.9% per year.

84.36.110(1) - Household goods

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Bureau of Economic analysis
- U.S. Census Bureau

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1871
Primary Beneficiaries:	Approximately 2.6 million households
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.110(2) - Personal property up to $15,000

Description

In addition to the complete exemption of household goods and personal effects, the first $15,000 of taxable personal property for heads of families is exempt from property tax, excluding private motor vehicles and mobile homes.

Purpose

Provides property tax relief to heads of families who have taxable personal property used in a business activity (essentially sole proprietors).

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.584	$0.628	$0.636	$0.641
Local Taxes	$1.831	$1.861	$1.905	$1.953

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.087	$0.164	$0.166
Local Taxes	$0.000	$0.024	$0.048	$0.053

Repealing this exemption results in a state levy shift of an estimated $19,000 and a local levy shift of an estimated $508,000 in Fiscal Year 2023.

Assumptions

- The total estimated exempt value is $60.18 million.
- County assessors do not list all sole proprietor personal property accounts of businesses owning less than $15,000. Since owners of personal property self-report, county assessors would have to discover and audit non-reporting businesses that own less than $15,000. This is a costly and unnecessary exercise since assessors are not required to list these accounts, and these accounts have no taxable value.
- Accounts currently on the rolls would become taxable the following year, if this exemption is repealed.

- Other accounts currently not required to report would have a low compliance rate in the first few years after the repeal.
- Average value of personal property owned by a non-reporting sole proprietors is $1,500.
- The value of exempt property will grow at 2% annually.

Data Sources

- Economic and Revenue Forecast Council's February 2019 forecast
- State property tax levy model
- 2018 county abstract reports
- Department of Revenue excise tax data

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1890
Primary Beneficiaries:	Sole proprietor business owners
Taxpayer Count:	125,000
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.130 - Airports owned by cities in other states

Description

Real and personal property located in Washington that is exclusively owned by a municipal corporation of an adjoining state that is used primarily as an airport facility is exempt from property taxation, as long as the size of the airport does not exceed 500 acres.

Purpose

While reciprocity is not mentioned in this statute, it is assumed that should a similar situation occur in Oregon or Idaho, those states would enact similar exemptions.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

Currently, there are no out-of-state municipalities that own airport property in Washington. There is one airport that is jointly owned by a Washington municipality and an Idaho municipality. Property at this airport is exempt as government property under other Washington State laws.

Data Sources

None

84.36.130 - Airports owned by cities in other states

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1941
Primary Beneficiaries:	None, there are no out-of-state municipalities that solely own airport property
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

84.36.133 - Commuter air carriers paying excise tax

Description

An aircraft owned and operated by a commuter air carrier is exempt from property tax for the calendar year if the owner has paid aircraft excise tax on the aircraft for that year.

Purpose

Recognizes the difficulty in providing accurate aircraft values for property tax purposes.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	D	D	D	D
Local Taxes	D	D	D	D

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	D	D	D
Local Taxes	$0.000	D	D	D

Assumptions

- The number of commuter air carriers operating in Washington will remain constant through 2025.
- Exempt value will grow at a rate consistent with the growth rate of the market value of property.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Department of Revenue state assessed valuation data

84.36.133 - Commuter air carriers paying excise tax

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Owners of commuter air carriers
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2019

84.36.135 - Housing Finance Commission

Description

Real and personal property owned by the Washington State Housing Finance Commission is exempt from property tax.

Purpose

Reflects the legislative policy not to tax governmental operations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.002	$0.002	$0.002	$0.002

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in a minimal state levy loss and a $2,000 local levy shift for property taxes collected in 2023.

Assumptions

- Total estimated exempt value is $150,000.
- The Housing Finance Commission only owns personal property.
- The value of this property remains constant through the estimation period.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.135 - Housing Finance Commission

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1983
Primary Beneficiaries:	State Housing Finance Commission
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.210 - Public right-of-way easements

Description

Easement rights obtained by government entities over private property are exempt from property taxation. Additionally, property over which the easement permits use is exempt from general tax foreclosure, and property taxes on the sale of delinquent property. Easement refers to the legal right to cross or otherwise use land for a specific purpose. To receive the exemption, the taxpayer must have written documentation of the easement on file with the county auditor's office. However, some jurisdictions do negotiate payments in lieu of property taxes with local taxing jurisdictions.

Purpose

Since publicly owned property is exempt from taxation, it follows that the value of easements obtained by government agencies for public purposes on privately owned land should be similarly exempt.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	$0.000	Indeterminate	Indeterminate	Indeterminate

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	$0.000	Indeterminate	Indeterminate	Indeterminate

Assumptions

The impact of repealing this exemption is indeterminate. No source of information could be located which indicates the total number of easements, their size, or their value. An easement may add to the value of a parcel or it may detract from the value, depending upon the activity that the easement grants.

84.36.210 - Public right-of-way easements

Data Sources

None

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1947
Primary Beneficiaries:	Governmental jurisdictions
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.230 - Interstate bridges

Description

Bridges and their approaches that cross state boundaries and are owned and operated by a bordering state or local government are exempt from property taxation within Washington. To qualify, the state owning the bridge or approach must likewise exempt all taxation of any bridges and their approaches owned and operated by the state of Washington or a local government within Washington.

Purpose

To remain consistent with regard to the taxation of government property and to avoid retaliatory taxation by adjoining states.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$6.614	$7.305	$7.555	$7.760
Local Taxes	$20.691	$21.636	$22.624	$23.658

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$3.956	$7.487	$7.560
Local Taxes	$0.000	$1.104	$2.122	$2.208

Repealing this exemption results in a state levy shift of an estimated $200,000 and a local levy shift of an estimated $21.5 million in Fiscal Year 2023.

Assumptions

The total estimated exempt value is $2.5 billion.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Washington State Department of Transportation structure data

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1949
Primary Beneficiaries:	Neighboring states
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.240 - Soil & water conservation districts

Description

Personal property belonging solely to soil and water conservation districts is exempt from property tax, unless a district engages in contract work for parties other than landowners or cooperators of the district.

Purpose

Assists what is essentially a quasi-governmental activity.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.007	$0.007	$0.007	$0.008
Local Taxes	$0.020	$0.021	$0.022	$0.023

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.005	$0.008	$0.008
Local Taxes	$0.000	$0.001	$0.002	$0.002

Repealing this exemption results in minimal state levy shift and a local levy shift of an estimated $21,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $2.5 million.
- The assessed value of personal property exempt under this statute remains constant.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Washington State Conservation Commission

84.36.240 - Soil & water conservation districts

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1963
Primary Beneficiaries:	45 soil and water conservation districts
Taxpayer Count:	45
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.250 - Nonprofit water cooperatives

Description

Property tax does not apply to real and personal property owned by a nonprofit corporation or cooperative association that distributes water to shareholders or members.

Purpose

Providing equal treatment for private, nonprofit and public work distributors and districts.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.192	$0.212	$0.219	$0.225
Local Taxes	$0.601	$0.628	$0.657	$0.687

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

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Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.115	$0.218	$0.220
Local Taxes	$0.000	$0.032	$0.062	$0.064

Repealing this exemption results in a state levy shift of an estimated $220,000 and a local levy shift of an estimated $623,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $72.7 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.250 - Nonprofit water cooperatives

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1965
Primary Beneficiaries:	533 parcels owned by water corporations or cooperatives
Taxpayer Count:	200
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010

84.36.255 - Habitat and water quality improvements

Description

Taxpayers may apply for a property tax exemption for improvements to real and personal property devoted to fish and wildlife habitat restoration and protection and to water quality and quantity improvements. To qualify, the improvements must be in accordance with a local conservation district's written plan for best management practices.

Purpose

Encourages improvement of fish and wildlife habitat and water quality/quantity.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.002	$0.002	$0.002	$0.002
Local Taxes	$0.006	$0.006	$0.006	$0.006

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.001	$0.002	$0.002
Local Taxes	$0.000	$0.001	$0.001	$0.001

Repealing this exemption results in a minimal state and local levy shift in Fiscal Year 2023.

Assumptions

The total estimated exempt value is $700,000.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast.
- State property tax levy model
- County assessors

84.36.255 - Habitat and water quality improvements

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1997
Primary Beneficiaries:	Parcels owned by landowners who invest in habitat improvements
Taxpayer Count:	200
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.36.260 - Nonprofit conservation and open space lands

Description

Property tax does not apply to real property owned by nonprofit corporations or associations used exclusively for the conservation of ecological systems, natural resources, or open space, including park lands. The primary purpose of the nonprofit organization is conducting or facilitating scientific research or conserving natural resources or open space for the general public. The land must be dedicated to these purposes or be subject to an option to purchase by a governmental entity.

Purpose

Encouraging the preservation of open space land and supporting the activities of nature preservation and conservation organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.564	$0.623	$0.644	$0.662
Local Taxes	$1.764	$1.845	$1.928	$2.016

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.337	$0.638	$0.644
Local Taxes	$0.000	$0.094	$0.181	$0.188

Repealing this exemption results in a state levy shift of an estimated $17,000 and a local levy shift of an estimated $1.83 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $214 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.260 - Nonprofit conservation and open space lands

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1967
Primary Beneficiaries:	533 public parks
Taxpayer Count:	53
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2010

84.36.300 - Goods in transit

Description

Merchandise, goods, wares, and materials are exempt from property tax if they are manufactured outside Washington by the current owner and shipped into the state or acquired by the current owner from another in-state manufacturer, and subsequently exported in substantially the same form they were brought into the state (although repackaging, relabeling, etc. may take place here). Items exempted include aircraft parts and accessories, but not engines or major structural components, installed in Washington.

Purpose

Encourages trade and promotes economic growth.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of this statute would not impact tax revenues or taxpayers.

Assumptions

Goods in transit are exempt under the business inventories exemption, RCW 84.36.477.

Data Sources

None

84.36.300 - Goods in transit

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1961
Primary Beneficiaries:	Wholesalers of goods passing through the state and manufacturers of aircraft
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010

84.36.350 - Nonprofit sheltered workshops

Description

Property tax does not apply to real or personal property used by a nonprofit corporation to operate a sheltered workshop for individuals with disabilities, including property used for manufacturing and handling, selling, or distributing goods constructed, processed, or repaired in the workshop and any inventory and raw materials.

Purpose

Supporting the social benefits and rehabilitative opportunities provided by the workshops.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.269	$0.297	$0.308	$0.316
Local Taxes	$0.844	$0.882	$0.922	$0.964

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.161	$0.305	$0.308
Local Taxes	$0.000	$0.045	$0.087	$0.090

Repealing this exemption results in a state levy shift of an estimated $8,000 and a local levy shift of an estimated $874,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $102 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1970
Primary Beneficiaries:	64 parcels owned by sheltered workshops
Taxpayer Count:	15
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.381 - Senior and disabled homeowners exemption

Description

Retired senior citizens (aged 61 or more), disabled homeowners, and veterans entitled to and receiving compensation from the U.S. Department of Veterans Affairs with a total disability rating for a service-connected disability with incomes equal to or less than Threshold level I are exempt from all excess property taxes levied on their principal residence. Those with an income equal to Threshold level II but greater than Threshold III are also exempt on all regular property tax levies on the first $50,000 of the residence's assessed value or 35 percent of the value up to a maximum of $70,000, whichever is greater. Homeowners with incomes equal to or less than Threshold III are exempt from all regular levies on the first $60,000 of assessed value or 60 percent of the value (with no maximum), whichever is greater.

The valuation of qualified homeowners remains unchanged as of January 1, 1995, or January 1 of the first assessment year, the homeowner qualifies for the property tax exemption. To qualify for the valuation freeze, homeowners must have household income equal to or less than Threshold level I.

Income thresholds are based on a percentage of the County's Median Household Income and adjusted every five years.

Any surviving spouse, surviving domestic partner, heir, or devisee of a person who was receiving an exemption at the time of the person's death will qualify if the surviving spouse, surviving domestic partner, heir, or devisee is fifty-seven years of age or older and otherwise meets the requirements.

Purpose

Provide property tax relief to low-income, retired or disabled homeowners.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$60.196	$72.704	$75.154	$77.385
Local Taxes	$201.562	$229.911	$240.468	$252.070

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

84.36.381 - Senior and disabled homeowners exemption

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$39.339	$74.450	$75.182
Local Taxes	$0.000	$8.911	$17.187	$18.006

Repealing this exemption results in a state levy shift of an estimated $2.2 million and a local levy shift of an estimated $234.1 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $21.4 billion.
- Average frozen value of homes qualifying for this exemption will grow at 1.4 percent annually.
- Number of participants in this program remains constant.
- The share of exempt value that is exempt from regular levies remains constant.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1967
Primary Beneficiaries:	Homeowners who are senior citizens, disabled veterans, surviving spouses and partners who qualify for this program
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.400 - Home improvements

Description

Once every five years, physical improvements to existing single family residential structures are eligible for a three year property tax exemption following completion. The exemption is limited to improvements totaling 30 percent or less of the structure's value at the time the work commenced.

Purpose

To encourage homeowners to upgrade their residences.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.270	$0.298	$0.309	$0.317
Local Taxes	$0.846	$0.885	$0.925	$0.967

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.162	$0.307	$0.310
Local Taxes	$0.000	$0.045	$0.087	$0.090

Repealing this exemption results in a minimal shift in the state levy and a local levy shift of an estimated $880,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $112.8 million.
- Ratio of home improvement exempt value to total improvement value in counties that reported are representative of non-reporting counties.

Data Sources

- County abstract report
- State property tax levy model
- Economic and Revenue Forecast Council's March 2019 forecast

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1972
Primary Beneficiaries:	Owners of single family dwellings who improve their home
Taxpayer Count:	Approximately 1500 homeowners
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010

84.36.451 - Public property leaseholds

Description

Private rights to use or occupy property owned by the federal government, the state of Washington and its subdivisions, and federally recognized Indian tribes, is exempt from property taxation. Individuals and businesses that lease public or tribal property are instead subject to the leasehold excise tax based on the rental value of the lease.

Purpose

To ensure that lessees of public property pay only leasehold excise tax and not personal property tax on the value of the lease.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	($23.506)	($22.591)	($22.407)	($22.191)
Local Taxes	$7.992	$9.444	$11.084	$12.914

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	($29.027)	($22.538)	($22.576)
Local Taxes	$0.000	($30.008)	($28.310)	($28.303)

Repealing this exemption results in a state levy shift of an estimated $0.38 million and a local levy shift of an estimated $41.2 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $5.3 billion.
- Since the leasehold excise tax is considered a tax in lieu of property taxes, it would be repealed along with the repeal of this exemption.
- Estimates are net of state and local leasehold excise tax. Because the state leasehold excise tax rate is proportionately greater than the local rate compared with the property tax rates, a shift of tax burden from the state to local jurisdictions would take place, if the exemption were eliminated.

84.36.451 - Public property leaseholds

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Tax Base
Year Enacted:	1976
Primary Beneficiaries:	Private lessees of publicly owned property, port districts and state tidelands
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2011

84.36.470 - Agricultural products

Description

All agricultural products, as defined in RCW 82.04.213, grown or produced for sale by a person on lands owned or leased by the producer are exempt from property tax. Marijuana is not an agricultural product.

Purpose

To assist the agricultural economy.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$19.885	$20.978	$20.828	$20.555
Local Taxes	$62.313	$62.126	$62.360	$62.651

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$11.143	$21.088	$21.304
Local Taxes	$0.000	$3.109	$5.849	$5.846

Repealing this exemption results in a state levy shift of an estimated $750,000 and a local levy shift of an estimated $56.8 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $7.8 billion.
- Value of agricultural products will remain stable.

Data Sources

- U.S. Department of Agriculture
- Economic and Revenue Forecast Council March 2019 forecasts
- State property tax levy model

84.36.470 - Agricultural products

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1984
Primary Beneficiaries:	Agricultural producers, processors, and shippers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report 2015

84.36.477 - Business inventories

Description

Business inventories, including most products held for sale, are exempt from property tax.

Purpose

To stimulate the economy and help to make Washington competitive with neighboring states that eliminated personal property taxes on business inventories.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$219.211	$238.050	$242.921	$247.349
Local Taxes	$686.205	$705.003	$727.411	$754.037

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$128.021	$242.282	$244.694
Local Taxes	$0.000	$35.714	$68.230	$70.361

Repealing this exemption results in a state levy shift of an estimated $2.7 million and a local levy shift of an estimated $683.7 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $84 billion.
- Market value of business inventories in Washington will grow at the forecasted rate of national business inventories.

Data Sources

- 2012 Economic Census of the U.S.
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.477 - Business inventories

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1974
Primary Beneficiaries:	Manufacturers, wholesalers, and retailers
Taxpayer Count:	36,000
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2012

84.36.480 - Nonprofit fair associations

Description

Property taxes do not apply to real and personal property owned by a nonprofit fair association eligible to receive support from the fair fund that sponsors or conducts a county fair.

The exemption also applies to nonprofit fair associations organized under RCW 24.06 if the nonprofit purchased or acquired the majority of the property from a county or city between 1995 and 1998.

The exemption applies to properties valued at no more than $15 million. Loaning or renting the property to private concessionaires in conjunction with a fair does not nullify the exemption if the rental charges are reasonable and used for operating and maintaining the property. If any portion of the property is rented for more than 50 days during a calendar year, the rental income becomes subject to leasehold excise tax beginning January 1, 2019.

Purpose

To support county agricultural fairs.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.038	$0.042	$0.044	$0.045
Local Taxes	$0.120	$0.125	$0.131	$0.137

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.023	$0.043	$0.044
Local Taxes	$0.000	$0.006	$0.013	$0.013

Repealing this exemption results in a state levy shift of an estimated $2,000 and a local levy shift of an estimated $124,000 in Fiscal Year 2023.

84.36.480 - Nonprofit fair associations

Assumptions	The total estimated exempt value is $14.5 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1975
Primary Beneficiaries:	26 parcels owned by fair associations
Taxpayer Count:	11
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2011

84.36.487 - Air pollution control facilities

Description

Air pollution control equipment that is constructed or installed at a thermal electric generating facility after May 15, 1997, is exempt from property tax. To qualify, the generating facility must have begun operation between January 1, 1970, and July 1, 1975.

Purpose

To encourage thermal electric generating facilities to reduce air pollution emissions.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	D	D	D	D
Local Taxes	D	D	D	D

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	D	D	D
Local Taxes	$0.000	D	D	D

Assumptions

Fewer than three taxpayers take advantage of this tax preference, therefore impacts cannot be disclosed.

Data Sources

Department of Revenue, Property Tax Division

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1997
Primary Beneficiaries:	Owners of the Centralia steam plant
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.36.500 - Conservation futures on agricultural land

Description

Property tax does not apply to conservation futures of unlimited duration on agricultural lands owned by any nonprofit corporation or association. To qualify, the primary purpose of these organizations must be the conservation of agricultural lands and the prevention of converting these lands to non-agricultural uses.

Purpose

Encouraging the retention of farm lands in urban transitional areas.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- Based on county data, no taxpayers are currently taking this exemption.
- No taxpayers will take the exemption during the next four years.

Data Sources

County assessor data

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1984
Primary Beneficiaries:	Nonprofit organizations acquiring development rights to agricultural land and owners of agricultural land
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2012

84.36.510 - Mobile homes in dealer's inventory

Description

Property tax does not apply to mobile homes in a dealer's inventory and held solely for sale in the ordinary course of the dealer's business. The exemption does apply to taxes already levied or delinquent on the mobile home when it becomes part of a dealer's inventory.

Purpose

Helps make Washington competitive with neighboring states that eliminated personal property taxes on business inventories.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.058	$0.067	$0.073	$0.078
Local Taxes	$0.183	$0.199	$0.218	$0.238

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. The small change in tax rate from removing the exemption for additional participants results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.038	$0.071	$0.072
Local Taxes	$0.000	$0.011	$0.021	$0.022

Repealing this exemption results in a state levy shift of an estimated $7,000 and a local levy shift of an estimated $216,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $26.0 million.
- Percent of nationwide shipments of mobile homes to Washington is similar to when tracking stopped in 2013.

Data Sources

- U. S. Census data for inventory and average sales price
- State property tax levy model

84.36.510 - Mobile homes in dealer's inventory

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1985
Primary Beneficiaries:	Business owners
Taxpayer Count:	100
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2017

84.36.550 - Nonprofit fund-raising

Description

Property tax does not apply to real and personal property owned by nonprofit organizations that solicit gifts, donations, or grants if:

- The organization is nonsectarian;
- A state or national group that authorizes, approves, or sanctions volunteer charitable fund-raising efforts affiliates with the nonprofit organization;
- The organization is exempt from federal income tax;
- The organization has a volunteer board of directors; and,
- The organization uses gifts, donations, and grants for character-building, benevolent, protective, or rehabilitative social services to people of all ages for distribution to at least five other nonprofit organizations or associations that are organized and conducted for the same purposes listed above.

Purpose

Supporting the fund-raising activities of these nonprofit organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.106	$0.117	$0.121	$0.124
Local Taxes	$0.330	$0.345	$0.361	$0.377

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.063	$0.120	$0.121
Local Taxes	$0.000	$0.018	$0.034	$0.036

Repealing this exemption results in a state levy shift of an estimated $3,000 and a local levy shift of an estimated $342,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $40 million.

84.36.550 - Nonprofit fund-raising

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1993
Primary Beneficiaries:	12 parcels owned by nonprofit fund raising organizations
Taxpayer Count:	7
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2013

84.36.560 - Nonprofit low-income rental housing

Description

Property tax does not apply to real and personal property owned or leased by a "nonprofit entity" that provides rental housing for very low-income households, or that provides space for placing a mobile home for very low-income households in a mobile home park if:

- The exemption benefits the "nonprofit entity;"
- At least 75 percent of the occupied dwelling units are occupied by very low-income households;
- Housing is insured, financed, or assisted through one or more of the following sources:
  - A federal or state housing program administered by Department of Commerce;
  - A federal or state housing program administered by a city or county government;
  - A local affordable housing property tax levy;
  - Local surcharges for homeless housing and assistance; or,
  - Washington State Housing Finance Commission (WSHFC) provided financing for a mobile home park cooperative or a manufactured housing cooperative.

The nonprofit entity may also receive a partial exemption if very low-income households occupy less than 75 percent of the housing units provided.

Purpose

Encouraging the construction and use of housing for very low-income households.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$11.473	$12.672	$13.105	$13.461
Local Taxes	$35.891	$37.529	$39.243	$41.037

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

84.36.560 - Nonprofit low-income rental housing

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$6.861	$12.986	$13.114
Local Taxes	$0.000	$1.914	$3.681	$3.829

Repealing this exemption results in a state levy shift of an estimated $347,000 and a local levy shift of an estimated $37.2 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $4.35 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1999
Primary Beneficiaries:	1243 parcels of rental housing
Taxpayer Count:	160
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.570 - Nonprofit demonstration farms

Description

Property tax does not apply to all real and personal property of a demonstration farm used by a research and education program of a state university and owned by a nonprofit organization, corporation, or association if:

- The property is no more than 50 acres;
- The nonprofit organization, corporation, or association is a 501(c)(3);
- The farm includes research and extension facilities, a public agricultural museum and an educational tour site used by a state university for agricultural research and education programs;
- Income from the sale of agricultural products furthers the purpose of the nonprofit organization; and,
- Exempted property must be used exclusively for the purpose of the exemption.

Purpose

Enabling the continued operation of a demonstration cranberry farm by Washington State University in Pacific County.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.002	$0.002	$0.002	$0.002
Local Taxes	$0.006	$0.006	$0.006	$0.006

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.002	$0.002	$0.002
Local Taxes	$0.000	$0.001	$0.001	$0.001

Repealing this exemption results in minimal state levy shift and a local levy shift of an estimated $5,000 in Fiscal Year 2023.

84.36.570 - Nonprofit demonstration farms

Assumptions

Total estimated exempt value is $700,000.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County assessor parcel data

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1999
Primary Beneficiaries:	4 parcels owned by demonstration farms
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.575 - Emergency medical aircraft

Description

Property tax does not apply to aircraft if it is owned by a 501(c)(3) nonprofit organization, provides emergency medical transportation services, and the benefit of the exemption is realized by the nonprofit that owns the aircraft.

The exemption expires January 1, 2020.

Purpose

Reduces the costs to nonprofit organizations of owning emergency medical transportation aircraft.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.020	$0.020	$0.000	$0.000
Local Taxes	$0.059	$0.057	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in a state levy shift of an estimated $1,000 and a local levy shift of an estimated $109,000 in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $13.9 million.

Data Sources

- Aircraft Bluebook: Volume 19-1, Spring 2019
- County assessor data
- Department of Revenue nonprofit exempt property tax system
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1925
Primary Beneficiaries:	6 nonprofit emergency medical transport
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.590 - Vitrification equipment

Description

Personal property located on land owned by the U.S. government at the Hanford reservation is exempt from property tax if it is used exclusively in the performance of a privatization contract to pre-treat, treat, vitrify or immobilize tank waste. The personal property must be used by the person who has a privatization contract to perform tank waste clean-up operations at the Hanford Reservation.

Purpose

Supports nuclear waste clean-up activities at Hanford.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- There is no privately owned vitrification equipment operating at the Hanford site and the U.S. Department of Energy will own any future equipment.
- Any equipment owned by U.S. government is exempt under RCW 84.36.010.

Data Sources

Hanford Vitrification Plant website

84.36.590 - Vitrification equipment

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2000
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.595 - Motor vehicles, trailers, and campers

Description

Motor vehicles, travel trailers, and campers are exempt from property tax.

Purpose

Ensures that property tax does not apply to vehicles.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$108.443	$119.772	$123.863	$127.234
Local Taxes	$339.244	$354.720	$370.920	$387.881

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$64.856	$122.744	$123.954
Local Taxes	$0.000	$18.093	$34.791	$36.194

Repealing this exemption results in a state levy shift of an estimated $3.3 million and a local levy shift of an estimated $351.7 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $41.1 billion.
- All vehicles in Washington are registered with the state and are therefore represented in the database maintained by the Department of Licensing.

Data Sources

- Auto Alliance - Washington State facts
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- Department of Licensing database

84.36.595 - Motor vehicles, trailers, and campers

Additional Information

Additional Information	
Category:	Tax Base
Year Enacted:	2000
Primary Beneficiaries:	Individuals and businesses who own vehicles
Taxpayer Count:	7,700,000
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.600 - Custom computer software

Description

Custom computer software, except for embedded software, is exempt from property tax. Custom software is software designed for a specific need for a single person or group of persons. Also exempt are master or golden copies of software, retained rights in computer software and modifications to prewritten software.

Purpose

To recognize the administrative difficulties in valuing such software and to achieve uniform tax treatment in all counties.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$4.284	$4.732	$4.893	$5.027
Local Taxes	$13.402	$14.014	$14.654	$15.324

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$2.563	$4.849	$4.896
Local Taxes	$0.000	$0.715	$1.400	$1.400

Repealing this exemption results in a state levy shift of an estimated $129,000 and a local levy shift of an estimated $13.9 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $1.62 billion.
- Exempt value will grow at a rate consistent with the growth rate of the market value of property.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports
- County assessors survey
- Bureau of Labor Statistics, Consumer Price Index

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1991
Primary Beneficiaries:	Businesses that own custom computer software
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.36.605 - Regional transit authority sales and leasebacks

Description

Property tax does not apply to the real and personal property of a regional transit authority (RTA) subject to sale and leaseback arrangements. An RTA may sell facilities, trains, and buses, then lease them back from the investor.

Purpose

Provides the RTA with assistance in acquiring and financing trains, buses, and facilities.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

No impact, RTA is not using sale and leaseback arrangement due to a change in IRS rules.

Data Sources

Sound Transit

Additional Information

Additional Information	
Category:	Government
Year Enacted:	2000
Primary Beneficiaries:	Sound Transit
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.630 - Farm machinery (state levy)

Description

Personal property in the form of machinery and equipment owned by a farmer and used in growing and producing agricultural products is exempt from the state property tax only. This includes additional state property tax for the support of Common Schools. Farm machinery is still subject to local property tax levies.

Purpose

Reduces the property tax burden for farmers.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$3.211	$3.546	$3.667	$3.767
Local Taxes	$10.044	$10.502	$10.982	$11.485

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$1.920	$3.635	$3.670
Local Taxes	$0.000	$0.536	$1.030	$1.072

Repealing this exemption results in a state levy shift of an estimated $97,000 and local levy shift of $10.4 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $1.22 billion.
- 5 year average exempt value will continue growth at the same rate as property market value growth rate.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- State levy abstracts (2014-2018)

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	2001
Primary Beneficiaries:	Farmers
Taxpayer Count:	5,300
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2015

84.36.635 – Anaerobic digesters

Description

All buildings, machinery, equipment, and other personal property which are used primarily for the operation of an anaerobic digester, the land upon which this property is located, and land that is reasonably necessary in the operation of an anaerobic digester are exempt from property tax. Applications for anaerobic digesters must be filed by December 31, 2024. The exemption is valid for six years and may not be renewed.

Purpose

Encourages the use of anaerobic digesters to promote renewable natural gas.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

There are no known taxpayers taking this exemption; a repeal of the exemption would not increase state or local revenue.

Assumptions

- Original period for taking exemption applications expired December 31, 2012.
- In 2018, legislation passed for this exemption with an effective date of July 1, 2018, and an expiration date of December 31, 2024.
- Any exemption issued prior to the end of 2012 are now expired and no applications have been submitted since the passage of new legislation.

84.36.635 – Anaerobic digesters

Data Sources

County assessors survey

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2003
Primary Beneficiaries:	Operators of an anaerobic digester
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.640 - Wood biomass fuel production facilities

Description

Real and personal property used primarily to manufacture wood biomass fuel is exempt from property tax. This includes additional property tax for the support of common schools. The exemption extends to land upon which the property is located and that is reasonable necessary in the manufacturing of wood biomass. Land used to grow crops used for such fuel is not subject to the exemption. The exemption is for the first six years following the date the manufacturing facility or addition to an existing manufacturing facility becomes operational. Claims must be filed with the county assessor before December 31, 2015.

Purpose

To encourage the manufacturing of alternatives to petroleum-based fuels.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- Exemption is not being used. The last date to apply for the exemption was December 31, 2015.
- This exemption does not apply to the state levy.

Data Sources

County assessor data

84.36.640 - Wood biomass fuel production facilities

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1931
Primary Beneficiaries:	Manufacturers of wood biomass fuel
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.36.645 - Semiconductor materials manufacturing after $1 billion investment - Machinery and equipment

Description

Machinery and equipment exempt from sales and use tax under RCW 82.08.02565 or 82.12.02565 used in manufacturing semiconductor materials is exempt from property tax. The exemption is contingent upon the siting of a significant semiconductor fabrication facility with an investment of at least $1 billion in buildings and equipment in Washington. The exemption expires January 1, 2024, unless the contingency in RCW 82.32.790(2) occurs.

Purpose

Encourages the retention of existing semiconductor firms in Washington and attracts similar businesses to this state.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

No facilities qualify for this exemption and none will locate in Washington during the forecast period.

Data Sources

County assessor data

84.36.645 - Semiconductor materials manufacturing after $1 billion investment - Machinery and equipment

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1959
Primary Beneficiaries:	None, no firms qualify for the exemption
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2016

84.36.650 - Nonprofit fund-raising to support artists

Description

Property tax does not apply to real and personal property owned by a nonprofit organization that raises funds to support individual artists if:

- The organization is nonsectarian;
- The organization is a 501(c)(3), The organization has at least 8 board members;
- The organization uses funds for grants, fellowships, information services, or education resources for individual artists; and,
- If the property is leased, the exemption's benefit is realized by the lessee.

Purpose

Assisting nonprofit organizations that support artists.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	M	M	M	M
Local Taxes	M	M	M	M

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

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Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	M	M	M
Local Taxes	$0.000	M	M	M

Repealing this exemption results in minimal revenue impacts.

Assumptions

Total estimated exempt value is $88,000.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

84.36.650 - Nonprofit fund-raising to support artists

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2003
Primary Beneficiaries:	1 nonprofit organization
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2016

84.36.655 - Aircraft facilities, port property

Description

Facilities used to manufacture superefficient airplanes which are located on property owned by a port district are exempt from property tax. The exemption covers buildings, machinery, equipment and other personal property owned by a lessee of port district property.

This exemption is not available if the manufacturer takes the B&O tax credit provided by RCW 82.04.4463. This exemption expires July 1, 2040.

Purpose

Encourages establishment of a super-efficient airplane manufacturing facility in Washington. This exemption presumes that such a facility would be located on port district property. As such, it addresses the personal property component of the facility, since the real property is likely to be publicly-owned.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

This exemption is not being used, any property covered under this RCW is already exempt under property or leasehold excise tax credit against B&O tax (82.04.4463).

Data Sources

None

84.36.655 - Aircraft facilities, port property

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2003
Primary Beneficiaries:	Any manufacturer of a super-efficient airplane locates a facility on port district property
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2014

84.36.660 - Sprinkler systems in nightclubs

Description

Prior to December 1, 2009, owners or qualified lessees of nightclubs who install sprinkler systems could apply for a property tax exemption for up to ten years on the increase in market value attributable to the sprinkler system. In 2007, all nightclubs are required to install automatic sprinkler systems by December 1, 2009.

Purpose

Encourage the installation of automatic sprinkler systems in night clubs.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- After December 31, 2009, no new applications were accepted.
- This exemption can only be taken for 10 years after the application has been accepted; no properties are taking this exemption in 2019.

Data Sources

None

84.36.660 - Sprinkler systems in nightclubs

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2005
Primary Beneficiaries:	Owners of nightclubs
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.665 - Military housing

Description

Qualifying privately owned military housing is exempt from property tax.

Purpose

Supports privatization of military housing on federal land.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	D	D	D	D
Local Taxes	D	D	D	D

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	D	D	D
Local Taxes	$0.000	D	D	D

Assumptions

Improvement value of exempt property will grow at the property market value growth rate.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County assessor parcel data

84.36.665 - Military housing

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2008
Primary Beneficiaries:	7 owners of military housing projects awarded under the military housing privatization initiative
Taxpayer Count:	Fewer than three taxpayers
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.36.670 - Multipurpose senior citizen centers

Description	One or more contiguous real property parcels and personal property owned by a senior citizen organization are exempt from taxation, if the property is used for the actual operation of a multipurpose senior citizen center. This includes property loaned or rented to the multipurpose senior center. The exempt property may be used for fund-raising events and activities.

Purpose

To provide tax relief to senior citizen organizations.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.014	$0.015	$0.016	$0.016
Local Taxes	$0.043	$0.045	$0.047	$0.049

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.008	$0.015	$0.016
Local Taxes	$0.000	$0.002	$0.005	$0.005

Repealing this exemption results in a minimal state levy shift and a local levy shift of an estimated $45,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $5.20 million.
- Exempt value will grow at a rate consistent with the growth rate of the market value of property.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County assessor data

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1871
Primary Beneficiaries:	8 parcels owned by a senior citizen organization
Taxpayer Count:	6
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.37.030 - Low-income homeowners tax deferral

Description

A homeowner may defer 50 percent of special assessments and real property taxes if the homeowner:

- Owns the house for more than five years and lived in the house as of January 1 of the year taxes are due;
- Has a combined disposable income of $57,000 or less in the calendar year prior to filing;
- Total amount deferred cannot exceed 40% of the amount of the claimant's equity value in the residence;
- Already paid half of the taxes due for the year; and,
- Has enough fire and casualty insurance to protect the interests of the state.

The homeowner can't defer special assessments or property taxes under RCW 84.38.030 and this program at the same time and can only defer up to 40 percent of his or her equity in the property. The state reimburses local taxing districts for the local property taxes deferred under this program.

Purpose

Relieving the property tax burden of persons with limited incomes.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.040	$0.042	$0.044	$0.046
Local Taxes	$0.119	$0.124	$0.129	$0.135

Repeal of exemption

Repealing this property tax exemption would increase state revenues. Unlike most property tax exemptions, it would not shift property taxes to the currently exempt taxpayers and reduce the tax burden of other taxpayers since the state reimburses local taxing districts for the local property taxes deferred under this program.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.166	$0.173	$0.181
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in no state levy shift, no local levy shift, and no potential revenue gain to local taxing districts as the state reimburses local taxing districts for the local property taxes deferred under this program.

Assumptions

- Number of participants taking deferrals remain constant for the study period.
- Growth in the average deferral will increase by 4.4 percent annually.

Data Sources

- County assessor data

- State property tax levy model

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	2007
Primary Beneficiaries:	Low income homeowners
Taxpayer Count:	65
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.38.030 - Senior and disabled homeowners tax deferral

Description

A homeowner may defer 80 percent of special assessments and real property taxes if the homeowner:

- Meets all requirements for an exemption for the residence under RCW 84.36.381;
- Is 60 or older by December 31 of the deferral claim year, or is retired due to physical disability;
- Has a combined disposable income of 75 percent or less of the county median household income;
- Has enough fire and casualty insurance to protect the interests of the state;
- Owned, at the time of filing, the residence upon which the special assessment and /or real property taxes are imposed;
- If claiming a special assessment deferral, opted for installment payments if available; and,
- Any surviving spouse, surviving domestic partner, heir, or devisee of a person who was receiving a deferral at the time of the person's death qualifies if the surviving spouse or surviving domestic partner is fifty-seven years of age or older and otherwise meets these requirements.

The state reimburses local taxing districts for the local property taxes deferred under this program.

Purpose

Relieve the property tax burden of low-income, elderly, or disabled persons.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.390	$0.390	$0.390	$0.390
Local Taxes	$1.180	$1.180	$1.180	$1.180

Repeal of exemption

Repealing this property tax deferral would increase state revenues. Unlike most property tax exemptions it would not shift property taxes to the currently exempt taxpayers and reduce the tax burden of other taxpayers since the state reimburses local taxing districts for the local property taxes deferred under this program.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$1.570	$1.570	$1.570
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in no state levy shift, no local levy shift, and no potential revenue gain to local taxing districts as the state reimburses local taxing districts for the local property taxes deferred under this program.

84.38.030 - Senior and disabled homeowners tax deferral

Assumptions

None.

Data Sources

- County assessor data
- ESSB 5160 from 2019 legislative session
- State property tax levy model

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1975
Primary Beneficiaries:	Senior and disabled homeowners
Taxpayer Count:	640
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.39.010 - Veteran widows and widowers

Description

Widows or widowers of a veteran qualify for a property tax exemption, in the form of a grant, if they:

- Meet all requirements under the senior citizens exemption program (RCW 84.36.381), other than the income limits; and,
- Are 62 or older by December 31 of the exemption claim year or retired due to physical disability and the veteran:
  - Died from a service-related disability;
  - Was 100 percent disabled by the U.S. Veterans Administration for at least the last 10 years prior to the veteran's death;
  - Was a prisoner of war and rated 100 percent disabled for at least 1 year prior to the veteran's death, or died while on active duty or in active military status.

In addition, the widow or widower of a veteran must not have:

- Remarried; and,
- A combined disposable income of more than $40,000.

The grant equals the amount of regular and special property tax levies imposed on the difference between the value of the residence that is eligible under the senior citizens exemption program and the following:

- If disposable income is less than $30,000, the first $100,000 of residential value;
- If disposable income is between $30,000 and $35,000, the first $75,000 of residential value; or,
- If disposable income is between $35,000 and $40,000, the first $50,000 of residential value.

Purpose

Providing property tax relief to survivors of deceased veterans.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.001	$0.001	$0.001	$0.001
Local Taxes	$0.004	$0.004	$0.004	$0.004

Repeal of exemption

Repealing this property tax exemption would increase state revenues. Unlike most property tax exemptions it would not shift property taxes to the currently exempt taxpayers and reduce the tax burden of other taxpayers since the state provides a grant for the state and local property taxes deferred under this program.

84.39.010 - Veteran widows and widowers

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.002	$0.005	$0.005
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repealing this exemption results in no state levy shift, no local levy shift, and no potential revenue gain to local taxing districts as the state provides a grant to the taxpayer for the state and local property taxes deferred under this program.

Assumptions

None.

Data Sources

- County assessor data
- Department of Revenue Veteran Widow/Widower Program

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	2005
Primary Beneficiaries:	Widows or widowers of veteran
Taxpayer Count:	33
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2016

84.40.030(3) - Growing crops

Description

The value of agricultural land on January 1 does not include growing crops for property tax purposes. This exemption does not apply to marijuana.

Purpose

The harvesting of most crops prior to January 1 prevents them from being subject to property tax. This exemption provides equal treatment for the few crops that may still be growing in the ground, principally winter wheat and fall barley.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.093	$0.102	$0.106	$0.109
Local Taxes	$0.291	$0.302	$0.316	$0.331

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.054	$0.103	$0.105
Local Taxes	$0.000	$0.015	$0.030	$0.031

Repealing this exemption results in a state levy shift of an estimated $155,000 and a local levy shift of an estimated $300,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $35.4 million in Fiscal Year 2018; this value is much less than in 2016, because barley value of production was negative.
- Agricultural crops growing in the ground on January 1 are exempt under RCW 84.40.030(3); Most of these crops are winter wheat, barley, and onions.
- 25 percent of costs - excluding seed costs - have been incurred by January 1 for crops that are in the ground on January 1; the value of these crops is equal to the market value of the finished crop less the estimated remaining cost.

84.40.030(3) - Growing crops

Data Sources

- USDA National Agricultural Statistics Service
- USDA Economics Research Service: Economics of Food, Farming, Natural Resources, and Rural America
- University of Wisconsin Extension
- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1890
Primary Beneficiaries:	Farmers who have crops growing on January 1
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.40.037 - Prewritten computer software

Description

Computer software, except embedded software, is subject to property tax on 100 percent of the purchase price in the first year following purchase and on 50 percent of the cost in the second year. Thereafter, it is exempt from property tax.

Purpose

Recognizes the rapid obsolescence of software and the difficulty of establishing accurate depreciation schedules for the myriad of software programs. Also, it helps provide uniformity of taxation throughout the state.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$3.864	$4.268	$4.414	$4.534
Local Taxes	$12.089	$12.640	$13.217	$13.822

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$2.310	$4.373	$4.417
Local Taxes	$0.000	$0.645	$1.240	$1.290

Repealing this exemption results in a state levy shift of an estimated $117,000 and a local levy shift of an estimated $12.5 million in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $1.46 billion.
- For counties that did not respond to a survey issued by Department of Revenue in 2016, the estimated assessed value of exempt property is equal to the ratio of exempt value to total assessed value for reporting counties.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports
- Survey of county assessors

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1991
Primary Beneficiaries:	Businesses that own canned software
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

84.40.130(3) - Personal property tax penalty waiver

Description

During the 2012 Legislative Session, the Legislature passed a personal property tax amnesty program allowing counties to optionally waive penalties for the failure to list taxable personal property with the county assessor. The penalty waiver applied to assessment years 2011 and prior and to receive a waiver, the taxpayer had to apply by July 1, 2012. Also, all taxes had to be paid by September 1, 2012.

Purpose

Provided a window of opportunity for businesses to add to their list of taxable personal property without penalty.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Repeal of exemption

Repealing this penalty waiver would not increase revenues.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.000	$0.000	$0.000

Assumptions

- In 2012, the amnesty program added $18.3 million in market value to the state property tax roll and $19.7 million in market value to local property tax rolls. The $1.4 million difference is agricultural machinery and equipment exempt from state property taxes.
- Garfield, King, and Thurston Counties offered amnesty.
- Amnesty was offered one time and results in no continuing revenue impact.

Data Sources

Garfield, King, and Thurston counties assessor and treasurer data

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2012
Primary Beneficiaries:	Business owners in Garfield, King and Thurston counties
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.40.220 - Nursery stock

Description

Nursery stock not grown in the ground (e.g. pots/bags) is exempt from property tax.

Purpose

To provide tax treatment for nursery stock that is equivalent to growing crops.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.433	$0.479	$0.495	$0.508
Local Taxes	$1.354	$1.416	$1.481	$1.549

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.258	$0.488	$0.493
Local Taxes	$0.000	$0.072	$0.139	$0.144

Repealing this exemption results in a state levy shift of an estimated $662,000 and a local levy shift of an estimated $1.40 million in Fiscal Year 2023.

Assumptions

Total estimated exempt value is $164 million.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- U.S. Department of Agriculture National Agricultural Statistics Service

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1971
Primary Beneficiaries:	Owners of approximately 440 nurseries
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010

84.56.020(19) - Waiver of interest and penalties for qualified taxpayers subject to foreclosure

Description

No earlier than 60 days prior to being three years delinquent, the treasurer must waive all outstanding interest and penalties on delinquent taxes on a property subject to foreclosure action under chapter 84.64 RCW when the following requirements are met:

- Taxpayer is income-qualified under RCW 84.36.381(5)(a);
- Taxpayer occupies the property as their principle place of residence; and,
- Taxpayer has not previously received a waiver on the property as provided under this subsection.

Purpose

Provides relief for residential property owners to avoid foreclosure.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

Repeal of exemption

Repealing this exemption would not impact the state school levy but would increase the local revenue. Repealing this exemption does not shift the property tax on to others.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	Indeterminate	Indeterminate	Indeterminate

This exemption results in no revenue impact to the state property tax levy.

Assumptions

Revenue impact at the local level is indeterminate.

Data Sources

None

Additional Information

Additional Information	
Category:	Individual
Year Enacted:	2020
Primary Beneficiaries:	Residential property owners delinquent on property tax
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

84.56.025 - Delinquency penalty and interest waivers

Description

County treasurers must waive interest and penalties on delinquent property taxes when:

- Notice was not sent to the taxpayer due to an error by the county. Interest and penalties are reinstated if the taxpayer fails to pay delinquent taxes within thirty days of receipt of proper notice;
- The taxpayer fails to make one payment on their personal residence due to death of their spouse; or,
- The taxpayer fails to make one payment on their parent's or stepparents personal residence due to death of their parent or stepparent.

County treasurers, at their discretion, may waive interest and penalties on delinquent property taxes when:

- The taxpayer pays an erroneous amount due to an error by the taxpayer.

Purpose

Provides relief for taxpayers in cases of errors or hardships.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.090	$0.090	$0.090	$0.090

Repeal of exemption

Repealing this exemption would not impact the state school levy but would increase the local revenue. Repealing this exemption does not shift the property tax on to others.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.000	$0.000	$0.000
Local Taxes	$0.000	$0.090	$0.090	$0.090

Repealing this exemption will not result in a state or local levy shift.

Assumptions

- Average property tax owed for households claiming this waiver is about $4,200.
- Total number of households claiming this waiver total 250 per year.
- No growth in the amount of penalties and interest waived each year.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- County abstract reports

84.56.025 - Delinquency penalty and interest waivers

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1984
Primary Beneficiaries:	Property owners who may owe interest and penalties in these circumstances
Taxpayer Count:	250
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2012

84.56.335 - Mobile homes possessed by landlords

Description

Property tax does not apply to a manufactured home or park model trailer worth less than $8,000 if the landlord of the manufactured home park takes ownership and submits a signed affidavit to the assessor indicating an intent to resell or rent the home and:

- The manufactured home or park model trailer has been abandoned; or,
- A final judgment regarding the manufactured home or park model trailer for restitution of the premises under RCW 59.18.410 executes in favor of the landlord and the title transfers to the landlord.

All future taxes are the responsibility of the owner of the manufactured, mobile home or park model trailer.

Purpose

Allows manufactured home park owners to renovate and rent or sell abandoned homes without the responsibility of back property taxes, interest, and penalties owed by the previous owner.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Repealing this exemption would result in an additional small increase in local revenue due to the collection of penalties that are waived under the exemption.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	$0.000	Indeterminate	Indeterminate	Indeterminate

84.56.335 - Mobile homes possessed by landlords

Assumptions

Revenue impact is indeterminate but believed to be minimal.

Data Sources

County assessors and treasurers

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Manufactured home park owners
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2017

84.70.010 - Destroyed property

Description

Property damaged by a disaster as declared by the Governor or county legislative authority may have its value reduced by the difference in fair market value before and after the disaster if the difference is greater than twenty percent.

Purpose

To provide relief for taxpayers when natural disasters destroy property.

Taxpayer savings

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.060	$0.064	$0.063	$0.062
Local Taxes	$0.189	$0.188	$0.189	$0.190

Repeal of exemption

Both parts of the state property tax levy remain rate-based through 2021 and revert to a budget-based property tax system in 2022. Removing an exemption effective July 1, 2020, results in a gain to both parts of the state levy. The gain continues in 2022 and beyond because removing the exemption increases the starting point of each levy for future tax calculations.

Removing a property tax exemption does not shift state property taxes through 2021. However, beginning in 2022, the taxes of additional participants that qualify would shift to other taxpayers. The models used to measure shifting taxes assume the new tax rate will be different than the current tax rate. For many exemptions, the small change in the tax rate from removing the exemption for additional participants, results in no reportable shifts.

Potential revenue gains from full repeal

($ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	$0.000	$0.034	$0.064	$0.065
Local Taxes	$0.000	$0.010	$0.018	$0.018

Repealing this exemption results in a state levy shift of an estimated $3,000 and a local levy shift of an estimated $172,000 in Fiscal Year 2023.

Assumptions

- Total estimated exempt value is $23.5 million.
- Annual estimated value will remain at or near the average exempt value through Fiscal Year 2023.
- Percentage of all destroyed real property is 0.0019 percent in King county.

Data Sources

- Economic and Revenue Forecast Council's March 2019 forecast
- State property tax levy model
- County abstract reports
- King County property tax roll data

84.70.010 - Destroyed property

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1974
Primary Beneficiaries:	Owners of property impacted by a natural disaster
Taxpayer Count:	64
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2010