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HOUSE BILL 1539

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Holland, Basich, Heavey, Hargrove, Sheldon,  
Brumsickle, Forner, Moyer and Winsley.

Read first time January 31, 1991. Referred to Committee on Revenue.

1            AN ACT Relating to the excise tax on real estate sales; and  
2 amending RCW 82.45.010.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 82.45.010 and 1981 c 93 s 1 are each amended to read  
5 as follows:

6            As used in this chapter, the term "sale" shall have its ordinary  
7 meaning and shall include any conveyance, grant, assignment, quitclaim,  
8 or transfer of the ownership of or title to real property, including  
9 standing timber, or any estate or interest therein for a valuable  
10 consideration, and any contract for such conveyance, grant, assignment,  
11 quitclaim, or transfer, and any lease with an option to purchase real  
12 property, including standing timber, or any estate or interest therein  
13 or other contract under which possession of the property is given to  
14 the purchaser, or any other person by his direction, which title is

1 retained by the vendor as security for the payment of the purchase  
2 price.

3 The term shall not include a transfer by gift, devise, or  
4 inheritance, a transfer of any leasehold interest other than of the  
5 type mentioned above, a cancellation or forfeiture of a vendee's  
6 interest in a contract for the sale of real property, whether or not  
7 such contract contains a forfeiture clause, or deed in lieu of  
8 foreclosure of a mortgage or the assumption by a grantee of the balance  
9 owing on an obligation which is secured by a mortgage or deed in lieu  
10 of forfeiture of the vendee's interest in a contract of sale where no  
11 consideration passes otherwise or the partition of property by tenants  
12 in common by agreement or as the result of a court decree, the transfer  
13 of real property or an estate in real property, when: (1) The only  
14 consideration paid is the relief from a debt secured by the property;  
15 and (2) when a new loan may be required for a like amount due to a  
16 present loan restriction with no net proceeds to the seller, any  
17 transfer, conveyance, or assignment of property or interest in property  
18 from one spouse to the other in accordance with the terms of a decree  
19 of divorce or in fulfillment of a property settlement agreement  
20 incident thereto, the assignment or other transfer of a vendor's  
21 interest in a contract for the sale of real property, even though  
22 accompanied by a conveyance of the vendor's interest in the real  
23 property involved, transfers by appropriation or decree in condemnation  
24 proceedings brought by the United States, the state or any political  
25 subdivision thereof, or a municipal corporation, a mortgage or other  
26 transfer of an interest in real property merely to secure a debt, or  
27 the assignment thereof, any transfer or conveyance made pursuant to an  
28 order of sale by the court in any mortgage or lien foreclosure  
29 proceeding or upon execution of a judgment, or deed in lieu of  
30 foreclosure to satisfy a mortgage, a conveyance to the federal housing

1 administration or veterans administration by an authorized mortgagee  
2 made pursuant to a contract of insurance or guaranty with the federal  
3 housing administration or veterans administration, nor a transfer in  
4 compliance with the terms of any lease or contract upon which the tax  
5 as imposed by this chapter has been paid or where the lease or contract  
6 was entered into prior to the date this tax was first imposed, nor the  
7 sale of any grave or lot in an established cemetery, nor a sale by or  
8 to the United States, this state or any political subdivision thereof,  
9 or a municipal corporation of this state.

10 The term sale shall further not include a transfer to a corporation  
11 or partnership which is wholly owned by the transferor and/or the  
12 transferor's spouse or children: PROVIDED, That if thereafter such  
13 transferee corporation or partnership voluntarily transfers such real  
14 property, or such transferor, spouse, or children voluntarily transfer  
15 stock in the transferee corporation or interest in the transferee  
16 partnership capital, as the case may be, to other than ~~((+1))~~ (a) the  
17 transferor and/or the transferor's spouse or children, ~~((+2))~~ (b) a  
18 trust having the transferor and/or the transferor's spouse or children  
19 as the only beneficiaries at the time of the transfer to the trust, or  
20 ~~((+3))~~ (c) a corporation or partnership wholly owned by the original  
21 transferor and/or the transferor's spouse or children, within five  
22 years of the original transfer to which this exemption applies, excise  
23 taxes shall become due and payable on the original transfer as  
24 otherwise provided by law.