

SENATE BILL REPORT

ESHB 1332

As of March 15, 2021

Title: An act relating to property tax deferral during the COVID-19 pandemic.

Brief Description: Concerning property tax deferral during the COVID-19 pandemic.

Sponsors: House Committee on Finance (originally sponsored by Representatives Sullivan, Ramel, Leavitt, Dufault, Hackney, Wylie, Santos, Ortiz-Self, Ormsby, Rule, Stokesbary, Callan, Pollet and Macri).

Brief History: Passed House: 3/5/21, 96-1.

Committee Activity: Ways & Means: 3/16/21.

Brief Summary of Bill

- Requires county treasurers to grant a deferral of 2021 property tax payments for certain businesses via establishment of a payment plan.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Alia Kennedy (786-7405)

Background: Property Tax Statements and Payment Due Dates. All real and personal property in Washington is subject to property tax, unless the law provides a specific exemption. All taxes on real and personal property are due and payable to the county treasurer. To avoid interest and penalties, at least half of the amount owed is due by April 30th, and the full balance is due by October 31st. If the tax is less than \$50, the entire payment must be paid in full by April 30th.

Tax Delinquencies. Delinquent tax payments are subject to interest and penalties. Interest is charged at 1 percent per month on the full amount due from the month of delinquency until the delinquency is paid in full. A 3 percent penalty is also imposed on the unpaid amount of current taxes on June 1st with an additional 8 percent penalty imposed on the

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

unpaid amount of current taxes as of December 1st.

Payment Options. A county treasurer may accept prepayments for current year taxes provided the payments are paid in full by the statutory tax payment due dates. A treasurer may also provide a payment agreement to a taxpayer for payment of any current or delinquent taxes owed.

Summary of Bill: County treasurers must grant a deferral of taxes due in 2021 via the establishment of a payment plan for qualifying businesses. To qualify, a business must demonstrate a loss of at least 25 percent of revenue for calendar year 2020 compared to calendar year 2019. A deferral must be requested from the county treasurer on forms developed by the Department of Revenue. Penalties and interest are not be applied to taxes due under the deferral payment plan so long as the terms of the payment plan are fully met.

An owner of real property receiving a deferral must pass on the entire benefit to a tenant or sublessee if the tenant or sublessee is required by the lease or other contract to pay the property tax expense of the owner.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.