H-0302.1

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**HOUSE BILL 1522**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Representatives Stokesbary and Chapman

AN ACT Relating to assessing the real estate excise tax on the percentage of controlling interest transferred in an entity; and amending RCW 82.45.030.

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

**Sec.**  RCW 82.45.030 and 2011 c 58 s 15 are each amended to read as follows:

(1) As used in this chapter, the term "selling price" means the true and fair value of the property conveyed. If property has been conveyed in an arm's length transaction between unrelated persons for a valuable consideration, a rebuttable presumption exists that the selling price is equal to the total consideration paid or contracted to be paid to the transferor, or to another for the transferor's benefit.

(2) If the sale is a transfer of a controlling interest in an entity with an interest in real property located in this state, the selling price ((~~shall be~~)) is the true and fair value of the real property owned by the entity and located in this state multiplied by the percentage of controlling interest transferred in the sale. If the true and fair value of the real property located in this state cannot reasonably be determined, the selling price ((~~shall~~)) must be determined according to subsection (4) of this section.

(3)(a) As used in this section, "total consideration paid or contracted to be paid" includes money or anything of value, paid or delivered or contracted to be paid or delivered in return for the sale, and ((~~shall~~)) must include the amount of any lien, mortgage, contract indebtedness, or other incumbrance, either given to secure the purchase price, or any part thereof, or remaining unpaid on such property at the time of sale.

(b) Total consideration ((~~shall~~)) does not include the amount of any outstanding lien or incumbrance in favor of the United States, the state, or a municipal corporation for taxes, special benefits, or improvements.

(c) When a transfer or conveyance is made by deed in lieu of foreclosure to satisfy a deed of trust, total consideration ((~~shall~~)) may not include the amount of any relocation assistance provided to the transferor.

(4) If the total consideration for the sale cannot be ascertained or the true and fair value of the property to be valued at the time of the sale cannot reasonably be determined, the market value assessment for the property maintained on the county property tax rolls at the time of the sale ((~~shall~~)) must be used as the selling price.

**--- END ---**