

**Sample Real Estate Excise Tax Ordinance
Update September 2012**

MRSC

Ordinance No. _____

First Quarter Percent of the Real Estate Excise Tax for all Cities and Towns That are not Planning Under the Growth Management Act or for Cities and Towns That are Planning Under GMA but Which Have a Population of 5,000 or Less.

AN ORDINANCE IMPOSING AN EXCISE TAX ON THE SALE OF REAL ESTATE, PROVIDING FOR THE COLLECTION THEREOF, LIMITING THE USE OF THE PROCEEDS THEREFROM, AND FIXING PENALTIES FOR THE VIOLATION THEREOF.

THE CITY COUNCIL OF THE CITY OF _____ DO ORDAIN AS FOLLOWS:
(This enactment clause is for code cities. Other classes should use the ones appropriate for them.)

SECTION 1. Imposition of real estate excise tax. There is hereby imposed a tax of one-quarter of one percent (0.25%) of the selling price on each sale of real property within the corporate limits of this city.

SECTION 2. Taxable events. Taxes imposed herein shall be collected from persons who are taxable by the state under chapter 82.45 RCW and chapter 458-61 WAC upon the occurrence of any taxable event within the corporate limits of the city.

SECTION 3. Consistency with state tax. The taxes imposed herein shall comply with all applicable rules, regulations, laws and court decisions regarding real estate excise taxes as imposed by the state under chapter 82.45 RCW and chapter 458-61 WAC. The provisions of those chapters, to the extent they are not inconsistent with this ordinance, shall apply as though fully set forth herein.

SECTION 4. Distribution of tax proceeds and limiting the use thereof.

- 1 The county treasurer shall place one percent of the proceeds of the taxes imposed herein in the county current expense fund to defray costs of collection.
- 2 The remaining proceeds from city taxes imposed herein shall be distributed to the city monthly and those taxes imposed under Section 1 shall be placed by the city treasurer in a municipal capital improvements fund. This capital improvements fund shall be used by the city as authorized by RCW 82.46.010, as now or hereafter amended.
- 3 This section shall not limit the existing authority of this city to impose special assessments on property specially benefited thereby in the manner prescribed by law.

SECTION 5. Seller's obligation. The taxes imposed herein are the obligation of the seller and may be enforced through the action of debt against the seller or in the manner prescribed for the foreclosure of mortgages.

SECTION 6. Lien provisions. The taxes imposed herein and any interest or penalties thereon are the specific lien upon each piece of real property sold from the time of sale or until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue the other.

SECTION 7. Notation of payment. The taxes imposed herein shall be paid to and collected by the treasurer of the county within which is located the real property which was sold. The county treasurer shall act as agent for the city within the county imposing the tax. The county treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of used mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed herein shall be evidence of the satisfaction of the lien imposed in Section 6 of this ordinance and may be recorded in the manner prescribed for recording satisfactions or mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the county treasurer.

SECTION 8. Date payable. The tax imposed hereunder shall become due and payable immediately at the time of sale and, if not so paid within thirty days thereafter, shall bear interest at the rate of one percent per month from the time of sale until the date of payment.

SECTION 9. Excessive and improper payments. If, upon written application by a taxpayer to the county treasurer for a refund, it appears a tax has been paid in excess of the amount actually due or upon a sale or other transfer declared to be exempt, such excess amount or improper payment shall be refunded by the county treasurer to the taxpayer: PROVIDED, That no refund shall be made unless the state has first authorized the refund of an excessive amount or an improper amount paid, unless such improper amount was paid as a result of a miscalculation. Any refund made shall be withheld from the next monthly distribution to the city.

SECTION 10. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

SECTION 11. Effective date. This ordinance shall take effect _____ days after its passage, approval and publication.

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PASSED by the City Council at the City of _____, at a regular meeting thereof this ____ day
of ____, 199__. Approved as to form:

City Attorney

Attest:

City Clerk

[09/2012]