

EFFECTIVE JANUARY 1, 2020, sellers will pay a *graduated* real estate tax rate that increases based on the sales price.

# WAITING TO SELL MAY MEAN A HIGHER TAX RATE

The current Real Estate Excise Tax (REET) requires sellers to pay a flat rate of 1.28 percent of the property sales price. The Washington State Legislature recently passed a new tax for real estate sales beginning next year.

## FOUR NEW CATEGORIES, FOUR NEW TAX RATES

PROPERTY SALES PRICE	2019 TAX RATE	NEW TAX RATE EFFECTIVE 1/1/20
Less than \$500K	1.28%	1.10%
\$500K – \$1.5M	1.28%	1.28%
\$1.5M – \$3M	1.28%	2.75%
More than \$3M	1.28%	3.00%

## THE KEY TAKEAWAYS UNDER THE NEW REET STRUCTURE:

- 1 Properties sold for under \$500K will have a lower tax rate.
- 2 There will be no rate change for \$500K to \$1.5M properties.
- 3 Sellers with properties sold above \$1.5M will pay more than double in taxes.

## NOW COULD BE THE TIME FOR SOME CLIENTS TO SELL

Waiting could mean a much bigger real estate tax bill, so encourage sellers with higher-priced listings to start planning now instead of next year. Check with your city and county for additional taxes and fees.

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