

Special Notice

Intended audience: County treasurers, county assessors, and taxpayers.

Sept. 29, 2022

Legislative changes to delinquent property taxes

The Legislature has modified the interest and penalty provisions for delinquent personal property taxes and clarified the interest rate for property taxes on both real and personal property. These changes are a result of the passage of Engrossed House Bill 1982 (EHB 1982 (2022)) which amended RCW 84.56.020, effective March 24, 2022. This Special Notice provides an overview of the bill's modifications to state law.

Real and personal property - interest on delinquent taxes

- From January 1, 2022, until December 31, 2022, the interest rate for all delinquent real and personal property taxes is 12%.
- Beginning January 1, 2023, for taxes levied in 2023 or after, the interest rate for all delinquent taxes for residential real property with four or fewer units per taxable parcel, (including manufactured/mobile homes) is 9%. The interest rate for all other property, including personal property, remains 12%.

Real and personal property - penalties on delinquent taxes

- From January 1, 2022, until December 31, 2022, penalties are not assessed on any delinquent taxes for real or personal property.
- Beginning January 1, 2023, for taxes levied for 2023 and after, delinquent taxes are subject to penalties for nonresidential real property, residential real property with greater than four units per taxable parcel and for all personal property. However, residential property with four or fewer units per taxable parcel will no longer be subject to penalties.

Table 1.

Taxes levied for	Interest	Penalties
2021 and prior years		
All real and personal property	12%	3% on June 1 and 8% on December 1
2022		
All real and personal property	12%	No penalties
2023 and future years		
Residential parcel four or fewer units	9%	No penalties
All other real and personal property	12%	3% on June 1 and 8% on December 1

Questions and answers

I own a residential parcel that I rent commercially. I failed to pay my 2022 property taxes timely. Assuming I pay 2023 taxes timely and pay the delinquent 2022 taxes, what will the interest rate on the delinquent taxes be, and will I owe penalties?

The interest rate for delinquent 2022 taxes is 12%, there are no penalties on delinquent property taxes in 2022. Although this property is rented, it is still considered a residential parcel with four or fewer units. Please refer to Table 1.

I was unable to pay my 2021 and 2022 property taxes for my residence on time and they are now delinquent. I will likely not be able to pay my property taxes until 2024. What is the interest rate on the delinquent taxes due and will I owe a penalty if I pay all delinquent taxes in 2024?

The interest rate for delinquent 2021 and 2022 property tax is 12%. Penalties for 2021 are 3% if the delinquent tax is not paid by June 1, and an additional 8% if the delinquent taxes are not paid by December 1.

No penalties will be due for 2022 delinquent taxes. The interest rate for delinquent 2023 and future years property taxes is 9% and there will not be any associated penalty for residential parcels with four or fewer units. Please refer to Table 1.

I own a building with a retail store on the bottom floor and two housing units on the top floor. The property taxes were not paid in 2022 and are now delinquent. What interest rate will apply when I pay the delinquent taxes in 2023 and will there be a penalty for not paying timely?

The interest rate for delinquent 2022 taxes is 12%, there are no penalties on delinquent property taxes in 2022. Please refer to Table 1.

I have a five-acre lot with a mobile home that I could not afford to pay the property taxes on in 2021 and 2022 but will pay in 2023. Will there be interest and penalties charged on the delinquent taxes? Will the penalties and interest be the same if I am able to pay the delinquent taxes prior to December 31, 2022?

This is a residential parcel with four or fewer units. The interest rate for delinquent 2021 and 2022 property tax is 12%. Penalties for 2021 are 3% if the delinquent tax is not paid by June 1, and an additional 8% if the delinquent taxes are not paid by December 1. No penalties will be due for 2022 delinquent taxes. Please refer to Table 1.

I own a vacant lot with no residence on it. I neglected to pay the prior years' property taxes. Will I have to pay interest and penalties on the delinquent taxes when I pay in 2023?

The parcel is considered non-residential, and any delinquent taxes will be subject to 12% interest. Penalties for 2021 are 3% if the delinquent tax is not paid by June 1, and an additional 8% if the delinquent taxes are not paid by December 1. No penalties will be due for the 2022 delinquent taxes. Please refer to Table 1.

How will properties with a Current Use or Farm and Agricultural designation be treated with respect to delinquent property taxes and penalties in 2023 and future years?

Current Use or Farm and Agricultural designated parcels with four or fewer residential units will be subject to 9% interest on delinquent taxes and will not be subject to additional penalties.

Current Use or Farm and Agricultural parcels without a residence will be subject to 12% interest, and additional penalties of 3% if the delinquent tax is not paid by June 1, and an additional 8% if the delinquent taxes are not paid by December 1. Please refer to Table 1.

Questions?

If you have questions or need additional information, please contact the Department of Revenue, Property Tax division at 360-534-1400 or your county treasurer.