Open Space Removals (RCW 84.34.108)

When land no longer qualifies for classification under RCW 84.34 as Open space –Timberland – Farm and agricultural land, you must remove the land and assess at its fair market value. When the assessor discovers the land no longer qualifies, they must remove the land following the process explained in RCW 84.34.108 and WAC 458-30-300. The true and fair market value as of January 1 of the removal year is used to calculate proration of tax for year of removal from the classification.

The *Notice of Removal of Current Use Classification and Additional Tax Calculation* form ([64 003](https://dor.wa.gov/get-form-or-publication/forms-subject/property-tax-forms#Current)) has been prepared by DOR for the Assessor’s office to use for this process. The following guidelines will help with understanding the form and processing the removal.

**Page One**

The top left hand corner needs to be filled out with the seller or owner’s name and address, or the assessor’s address so that the assessor can forward a copy to the seller or owner.

The following needs to be filled in:

* County
* Grantor - (If there is a change in ownership)
* Grantee/Property owner
* Mailing Address
* Legal Description – If the legal description is too lengthy, you can attach it to the form. Make a note of this in the Legal Description area.
* Assessor’s Parcel/Account Number
* You may include county auditor recording numbers for documents related to the owners’ purchase of the property, and classification records such as the original approved application.

**Check Boxes**

* Indicate which classification the land is being removed from
* Indicate why the land is being removed
* Additional documentation or explanation will explain to the taxpayer and provide a clearer picture on why the land is being removed.
* Is the removal subject to additional tax, interest, and penalty**? You must check yes or no.** At this point, the removal form provides two options:
  + If you answer **no**, the removal is not subject to additional tax, interest, and penalty, you need to complete the questions on the remainder of page one.
  + If you answer **yes**, the removal is subject to additional, interest, and penalty, you need to proceed to page 2 of the form.

If **NO,** removal is not subject to additional tax, interest, and penalty, complete the following steps:

1. Page1 – question 1
   * Enter date of removal
   * Date of removal is the first date after the taxpayer has been notified of removal, given the chance to provide additional information, and ultimately the assessor determines the land no longer qualifies.
2. Page 1 – question 2
   * Go to page 3 – Step 8: Enter the recording fee amount due.
   * Also, include the same comment that you included for #8 under the Yes Option.
3. **(REQUIRED)** Step 10 Calculation of Tax for Remainder of Current Year. Even if the land is going into exempt status, you must calculate the remainder of the year’s fair market value taxes.
   * Current year tax is not due within 30 days, current year tax is due pursuant to RCW 84.56.020 (By April 30 and October 31):
4. Provide a brief explanation on why the removal meets the exceptions that are on page 4 of the form. Write in plain language why the exemption selected applies. One example would be “The home site is not being used as an integral part of the farm. The owner/operator does not live in the residence.” (RCW 84.34.020 (6)(g))

If **YES,** removal is subject to additional tax, interest, and penalty, complete the following steps:

Proceed to page 2:

* Enter the Parcel No.
* Enter the Date of Removal

1. **Calculation of current year’s taxes to date of removal**
2. Follow the instructions on the sheet to determine the calculation of current year’s difference between current use tax and fair market value tax due.
3. **Calculation of Current Year Interest**

* Interest is calculated from April 30 of each tax year through the month of removal.
* *Example: if the land was removed in September, it would be 5 months from April 30. Then 5 months is divided by 100, which equals the amount of interest.*

1. **Calculation of Prior Year’s Additional Tax and Interest**

Interest is calculated from April 30 of each year through the month of removal at 1 percent per month. Tax Year 1 will be the year preceding the year of removal. This means that from the example above that the 5 months added to 12 months at 1 percent would be 17 percent interest, then for each year after another 12percent is added to represent the 1percent of delinquent tax interest for the year.

1. **Total Additional Tax and Interest**

* This is a total of the entries from item 3 of column 8.

1. **20 percent Penalty**

* This does not apply if the owner requested a withdrawal after the land has been classified for 10 years or more, and they meet the requirements of RCW 84.34.070.

1. **Total Additional Tax, Interest, and Penalty**

* Total of entries in items 4 and 5

1. **Prorated Tax and Interest for Current Year**

* Items 1c and 2. The 20 percent penalty does not apply to this.

1. **Recording Fee for Removal**

* The owner is responsible for the recording fee for the removal (WAC 458-30-245(5)).

1. **Total of Tax, Interest, Penalty, and Recording Fee**

* Self-explanatory a total of line 6, 7, and 8

1. **Calculations of Tax for Remainder of the Current Year**

* This part of the form is always calculated regardless if the property meets the requirements for the additional tax not to be imposed. These taxes are for the current year and the owner would still be required to pay them.
* Number of days from the date of the removal to end of year divided by the number of days in the year. This equation will give you the proration factor.

1. True and Fair value, January 1 of the year removed, multiplied by the levy rate divided by 1,000 multiplied by the proration factor equals the tax portion of the True & Fair Market Value taxes.
2. Current Use value, January 1, of year removed multiplied by the levy rate, divided by 1,000 multiplied by the proration factor equals the current use value
3. **Amount of tax of tax due for remainder of current year** (10a minus 10b)

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