



Board of Equalization Training

2025 – New Members & Clerks

Presented by Rikki Bland et al
June 3-4, 2025





Board of Equalization New Member Training - 2025

Agenda & Attendance



2025 Board of Equalization Training

Real Property Valuation

Presented by Marilyn O'Connell



Property tax is an “ad valorem” tax meaning it is based on the value of the property. It is mostly administered by local government.



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Property Tax is based on the value of property – in some states it’s calculated as a percentage and in some states, it’s based on 100% of market value. And as you all know, it is administered by each county in the State of Washington.

DOR has oversight of the Assessor’s office, so we don’t get involved in individual appraisals.

Basis of Valuation



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- All property must be valued at 100% of market value unless it is specifically exempted.
- Market value is the money a willing buyer will pay to a willing, non-obligated seller, both being knowledgeable of the market. Open market transaction
- Assessors use sold property information and apply it to the non-sold properties.

Real Proper is defined in:

RCW 84.04.090
WAC 458-12-010



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RCW? Laws created by the Legislature of the State of Washington

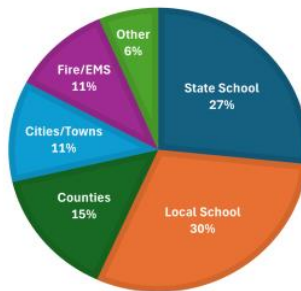
WAC? Rules governing how the state does business. Both are legally binding

- All buildings, structures or improvements or other fixtures.
- All standing timber growing thereon.
- Mobile homes that have lost their identity as a mobile unit by being permanently fixed in a location, placed on a permanent foundation with fixed pipe connections to water, sewer, or other utilities.

Valuation vs. Property Tax

2024 PROPERTY TAX DUE BY DISTRICT

■ State School ■ Local School ■ Counties ■ Cities/Towns ■ Fire/EMS ■ Other



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- Assessed value is used in the calculation of property tax, but it does not directly determine the amount of property taxes paid.
- Property taxes are administered by local government.
- The assessed value is determined by the assessor before property tax levies are calculated.

Revaluation Requirements

- Each county assessor shall maintain an active and systematic program of revaluation of all taxable property on a continuous basis:
- Revaluation of all taxable real property each year.
- Physical inspection at least once every six years.



RCW 84.41.030

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Each county must have a schedule for inspection and valuation of all property in their county each year:

- All parcels must be inspected at least once every six years. Most counties inspect every six years. Three counties inspect every 4 years: Chelan, Ferry, and San Juan.
- All parcels must be reappraised or revalued each year.
- The assessor must file their plan with the DOR the year prior to the first year of their Revaluation Plan.

Revaluation Plans

- ❖ Department of Revenue must approve prior to the first year of any revaluation and physical inspection cycle. (WAC 458-07-025)
- ❖ Plan & Assessment Objectives:
 - Uniformity in taxation
 - Standard of market value
 - Active and systematic program of revaluation on a continuous basis.
 - Efficient use of limited resources

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A Revaluation Plan includes:

- What parcels are inspected in each inspection year
- How many appraisers are available to do inspections
- How many days you expect to be in the field for those inspections
- How many inspections on average can an appraiser do every day
- How are you doing your valuation work
- Are there current challenges to getting your work done?

Transition to Annual Revaluation

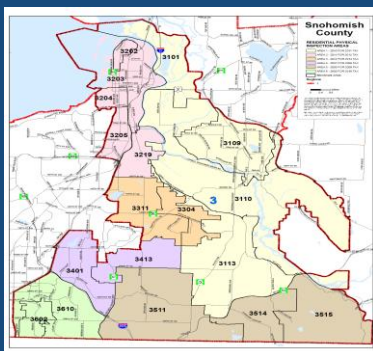


Revaluation area is the whole county

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REVALUATION AREA = ENTIRE COUNTY EVERY YEAR

Physical Inspection Areas



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Example: Snohomish County

Changes with Annual Valuation

Inspection at least once every 6 years

Values statistically updated each year

Expanded use of Mass Appraisal Practices

More reliance on statistical modeling



Advantages of Annual Valuation

- Promotes uniformity.
- More predictable values for property owners.
- Stabilize sharp spikes in values.
- Expand inspection interval to 4 or 6 years.
- Reflect current market considerations for industries or market areas that are in the midst of sudden change.
- Improves level of assessment as measured by the ratio of assessed value to market value.



Advantages of Annual Valuation

Current values for taxing districts - more reflective of the property and users of the services provided.

Closer alignment with personal property cycle - promotes uniformity between classes of property.

Simplification of administrative rules and processes.



Fee Appraisal vs Mass Appraisal



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One thing to remember: Assessors are not predicting future value. They are valuing property based on the January 1st lien date.

Fee appraisals are valuing the property as of the date of the appraisal

Mass Appraisal



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Mass appraisal is an estimate of value for many properties using standard procedures and statistical testing.

Objectives Do Not Change



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Both fee appraisal and single property appraisal are trying to determine market value. When doing mass appraisal, the requirements are the same as doing an individual appraisal.

- USPAP and IAAO

Appraisal objectives when performing mass appraisal:

- Uniformity in taxation
- 100% market value
- Revaluation on a continuous systematic schedule
- And mass appraisal provides a means to efficiently use limited resources

Sales Validation and Verification



It is extremely important to validate and verify all sales as soon as possible after the sale. It's these sales that the assessor uses to set the values in their models and to adjust values from year to year.

Validation is determining whether a sale is an open market transaction

Verification of Sales



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Verifying a sale: confirming and updating the characteristics of a property when sold to ensure accurate data for the parcel.

Three Approaches to Value

Cost Approach

Income Approach

Market Approach
(Sales Comparison)



Appraisers must consider all three approaches to value.

But some approaches just make more sense for certain types of property.

The Cost Approach to Value

- ❖ Based on Principle of Substitution
- ❖ Cost doesn't always equal value - but can be a valid determinant of value
- ❖ The cost approach can be applied to most classes of property
- ❖ Requires analysis of characteristics: Design, Construction Type, Quality, Square Footage, Age, etc.

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Principle of Substitution assumes a buyer wouldn't pay more for a property than it would cost to build an equivalent property.

Two Ways to Calculate

Reproduction Cost

vs.

Replacement Cost

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So, Reproduction Cost and Replacement cost are the 2 common ways to determine the cost valuation.

Reproduction Cost

Cost to construct a duplicate building

Using identical construction and materials



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Reproduction cost looks at the cost of creating an exact replica.

Replacement Cost

Cost to construct a building
with same utility

*Current prices,
standards, & material*

*Typically used by
Assessors*

*Use square foot method
to calculate cost
(Marshall and Swift)*



Replacement cost is the estimated cost to build a new building that has the same utility using modern materials and designs



**Replacement Cost New Less
Depreciation (RCNLD)
Indicates
Improvement Value**

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So, we get a replacement cost and then we need to apply depreciation to get our total improvement value. If we had a new structure, there wouldn't be any depreciation

In Appraisal:

Process of measuring the loss in value of an asset or group of assets.

Depreciation

Physical Deterioration

Results from
wear & tear,
use & abuse,
inadequate
repair, etc.



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Physical depreciation results from wear and tear, abuse, or not doing needed repairs. In order to figure out depreciation you need know what the economic life of the item is

Depreciation

Functional Obsolescence

Results from poor layout or design, under/over improvement, change in tastes, nonconforming style.



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This type of depreciation is due to a bad home design or layout



3,640 square feet, assessed at \$1,396,000

- Source: Google Street View

Depreciation

Economic Obsolescence (AKA External Obsolescence)

Results from forces outside of the property, i.e. heavy traffic, excessive noise, unpleasant odors, physical hazards, etc.



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Economic Obsolescence is caused when there is an exterior influence that can affect the value of a property

Example RCNLD

RCN (replacement cost new)	\$150,000
Less Depreciation	<u>\$ 50,000</u>
RCNLD (Improvement Value)	\$100,000
Plus Land Value	<u>\$ 40,000</u>
Total Property Value (or Market Value)	<u>\$140,000</u>

The Cost Approach to Value

❖ Advantages:

- Universal application
- Sometimes the only approach for special purpose properties
- Well adapted and easily applied under a mass appraisal system

❖ Disadvantages:

- Difficulty in estimating depreciation especially in older structures

The Income Approach To Value

- ❖ Based on Principle of Anticipation
- ❖ Value equals the present worth of future benefits that come from ownership
- ❖ The benefits are the future income stream the property will generate
- ❖ Must consider the quantity, quality, & duration of potential income stream

Data Needed for Income Approach

Income and Expense Data Needed for the subject and the market

- ❖ Unit of Comparison (Rent)
 - per sq. ft.
 - per unit - storage, rental, hotel
 - per bin - grain
- ❖ Vacancy and Collection Loss (from Market)
- ❖ Expenses (Subject and from Market)
 - Fixed and Variable Expenses
 - Typical for property type; replacement reserves, utilities, property management, insurance
 - Cap rate

Components of a Capitalization Rate

Recapture Rate

(Return of your investment)

- Usually 1/Life Expectancy
- Example: 1/50 years =

2.0%

Discount Rate

(Required rate of return on your investment)

5.0%

Effective Tax Rate

(For use in ad valorem valuation)

1.5%

Capitalization Rate (sum of components)

8.5%

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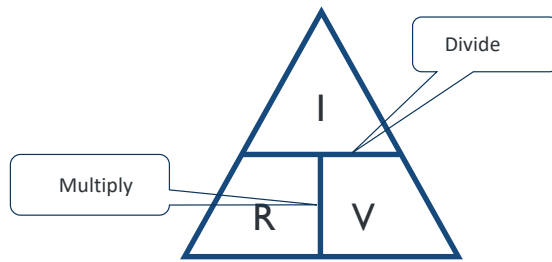
The cap rate estimates the investors potential return.

The “IRV” Equation

$$\text{Income} = R \times V$$

$$\text{Rate} = I \div V$$

$$\text{Value} = I \div R$$



So, if you have any two pieces of information you can calculate the third. What assessors are trying to determine is the value of a piece of property, so they would take the income divided by the rate to get the value.

The Income Approach to Value

Advantages:

- ❖ Generally, the most reliable for commercial / income producing properties
- ❖ Market data available from investors who buy & sell on the basis of a property's income capabilities

Disadvantages:

- ❖ Limited use for valuation of residential properties or some types of special use properties
- ❖ Limited income data available to Assessors

The Sales Comparison Approach To Value

- ❖ Based on principles of Substitution & Contribution
- ❖ Value tends to be set by the cost of acquiring a substitute property
- ❖ Generally, reflects market behavior

Many assessors use the market adjusted cost approach, so they determine a cost valuation and then analyze the applicable sales to determine a final value.

Data Needed for Sales Comparison Approach

Data Needed

- ❖ Subject characteristics
 - Design, Construction Type, Quality, Square Footage, Age, Location, etc.
- ❖ Comparable sales data & characteristics
 - Valid Sales – Compares sold properties to the subject property
 - Uses properties with similar characteristics, location, recent, arm's length transaction

Sales Comparison Approach to Value

Advantages:

- ❖ Widely recognized as a reliable valuation approach by nearly all involved with real property values including taxpayers, courts, salespersons, lenders, fee appraisers, and assessors.
- ❖ Processed directly from market actions of buyers and sellers
- ❖ Easily understood

Sales comparison approach is easily understood – usually taxpayers that file appeals talk about comparable sales
Most people have had an appraisal done and understand that comparable sales are used.

Sales Comparison Approach to Value

Disadvantages:

- ❖ Instances when sufficient sales data is unavailable
- ❖ Difficult when subject property is unique

Comparing Residential Appraisals

- If the appraisal dates differ, remember that the further from the assessment date the less reliable the appraisal. Lien date for assessment is January 1st
- Review market information and also info. provided by taxpayer and assessor – trends
- What approach to value was used?
- What adjustments are made to subject?
- What is the purpose of appraisal?
- Is it reasonable?
- Does it have info about the property the assessor did not know?

Note: Coefficients = $(V_{\text{index}} - V_{\text{comp}}) \cdot \text{Adj. Rate}$

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Four major types of adjustments: time, location, physical condition, and the contribution of components

Mass Appraisal

Single Property Appraisal

- An estimate of value for a single property or ownership



Mass Appraisal

- An estimate of values for many properties using standard procedures and statistical testing. (IAAO)

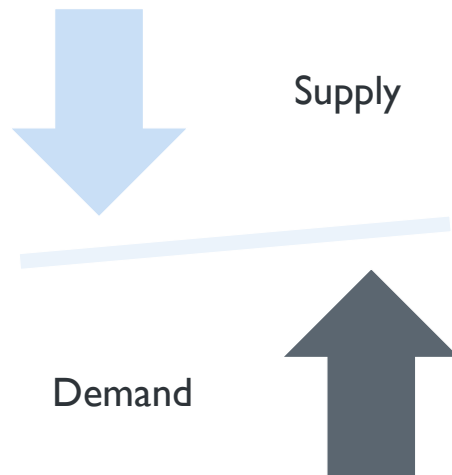


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Assessors use market data to estimate the value of many properties using the valid sales. It is not practical or feasible to do individual appraisals for thousands of parcels annually.

A model is a representation of how something works.



Supply and demand drives the real estate market and what someone will pay for real estate.

Mass Appraisal

Mass Appraisal was developed to meet the need for greater uniformity and consistency in assessments.

❖ Mass appraisal has an increased emphasis on:

- Standardized procedures
- Valuation models
- Testing

❖ Successful implementation requires:

- Trained Staff
- Technology – Hardware, Software, GIS

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Mass appraisal is applying valuation models to hundreds or thousands of properties and tests those models by doing a statistical analysis.

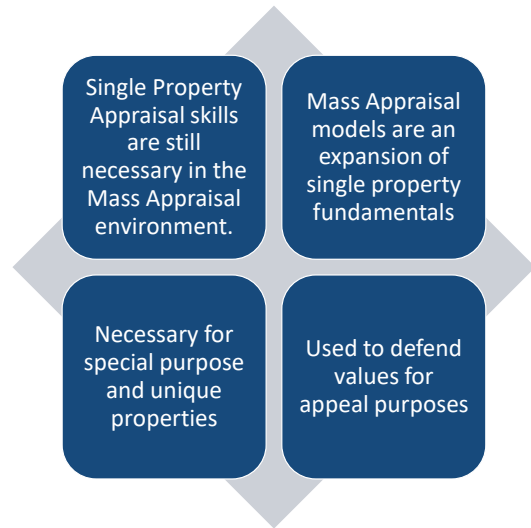
Steps in Mass Appraisal

- Identify market areas
- Develop methodology to achieve accurate and consistent data
- Validate and verify sales
- Specify mathematical models based on market data for properties that are similar
- Calibrate models annually or as needed
- Test models by running statistical tests
- Report current market data to stakeholders

Mass Appraisal Process

- Collect market data
- Analyze market data
- Consider highest & best use
- Determine what characteristics should be in the valuation model
- Determine how much value the characteristics add to the value
- Test model, do quality control, and reconcile of values
- Create reports of work
- Handle appeals

Mass Appraisal



Typically, appraisers use mass appraisal to value property, but for the BOE, they will talk about the relevant sales, because that is what the taxpayer is going to address.

Improvement Value Equals:

Base value

- × (size factor)
- × (construction quality)
- × (condition factor)
- × (building style factor)
- × (influence factor)



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About 95% of value of an improvement comes from about 4 things: size, quality, condition, location

Example of a Land Model

Land Value Equals:

Base Value

- x (size factor)
- x (location factor)
- x (traffic factor)
- x (utility factor)
- x (influence factor)



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Again, land value can be derived from just a few characteristics:

Location, location, location

Size

View

Waterfront

Total Value



IMPROVEMENT VALUE +
LAND VALUE = TOTAL VALUE



\$168,000 IMPROVEMENT +
\$43,750 LAND =



**\$211,750 TOTAL PROPERTY
VALUE**

So, the assessor is required to determine both a land value and an improvement value to determine the total assessed value. In an appeal, you want to look at the total value of the parcel and whether that is reasonable.

Market Adjustments

One method used to statistically update values is using a market adjustment factor derived from the AS ratio of assessed value to market value (sales price). Sometimes this is referred to as trending the previous value to the current market value.

Example: Sales over the past year indicate assessed values need to be increased by 5% to reflect the new true and fair value

All Properties would have a market adjustment factor of 1.05 applied to reflect this value increase

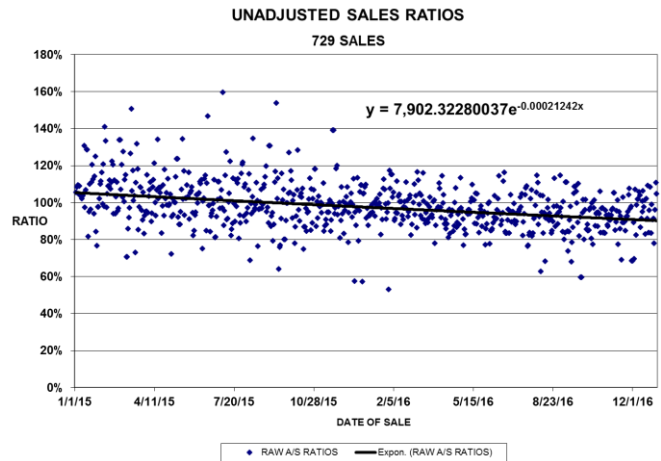
$$\text{Previous AV} \times \text{Market Adjustment Factor} = \text{New AV}$$

Time Adjustments

Can be done by graphing AS ratios in Excel (using sales)

- AS or AV ratio - the ratio of Assessed Value/ Sales Price
- A county can use up to five years of sales in order to have enough sales for a valid analysis
- This adjustment can be done county wide, by property characteristic, or location

Statistical Updates



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The assessor can graph the sales to determine how much the market has changes over a certain time frame and adjust the sales accordingly.

Current AV x Market Factor = New Assessed Value

Mass Appraisal Report Uses

- Document the appraisal process
- Communicate the mass appraisal process and results to taxpayers and BOE members
- Defend values at appeal
- Conduct training classes
- Provide sales data and neighborhood or valuation area reports to taxpayers or other interested parties through posting on the county website

Reports in the Appeal Process

Some counties will continue to provide the BOE with comparable sales in a grid format that are adjusted specifically for the property under appeal.

Many counties will provide the BOE with a mass appraisal report for the “valuation area” or “neighborhood” of the subject property.

Mass appraisal report Information may include:

- ❖ Property records
- ❖ Sales ratios & other statistical studies – sales used
- ❖ Appraisal manuals or other documentation
- ❖ Market studies – change in value
- ❖ Model building documentation

Reliability of Mass Appraisal Reports

The reliability of any appraisal is dependent on good data and good judgment.

In most cases a mass appraisal report will explain and support the value of the property.

Sometimes, even the best mass appraisal models may result in individual value conclusions that will not meet standards of reasonableness, consistency, and accuracy. In these instances...

- The property owner should first contact the assessor and request a review of both the property record and appraisal information. If not satisfied with the review, the owner may appeal to the BOE.

Destroyed Property

The assessed value of property may be reduced if:

By Dec. 31st, property is destroyed in whole or in part; or

The property has been reduced in value by more than 20% and is in an area declared a disaster by the Governor or the CLA

RCW 84.70.010

Destroyed Property

Refund or Abatement of Taxes:

Taxes may be abated or refunded during the tax year in which the destruction occurs unless the property was damaged or destroyed voluntarily.

The amount of relief is determined by the value of the destroyed property and the date of destruction.

Destroyed Property

New Construction:

If destroyed property is replaced prior to July 31, the county assessor will place the additional value on the assessment roll for that year.

If the taxpayer disagrees with the value after the improvement has been removed or after subsequent new construction is added, they can file an appeal with the BOE.



Questions?

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Property Tax Relief Programs for Individuals

Exemptions & Deferrals
Basic Board of Equalization Training

Laura Osborne
IBP Specialist

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Individual Benefit Programs Overview



4 Individual Benefit Programs

- Exemption
- Deferral (2)
- Grant Assistance

Intent is to prevent loss of home due to inability to pay property tax

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Exemption Program

- Reduction in tax amount
- Shifts the tax burden
- Exemption is tiered
- Renewal requirement

RCW 84.36.379—RCW 84.36.389
WAC 458-16A

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Deferral Programs

- No reduction or tax shift
- Postpones payment of property taxes and/or special assessments
- State pays the taxes/assessments on their behalf and charges interest
- Deferral balance must be repaid

**Property Tax Deferral for Senior
Citizens and People with Disabilities**
RCW 84.38
WAC 458-18

**Property Tax Deferral For
Homeowners with Limited Income**
RCW 84.37
WAC 458-18A

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Widows/Widowers of Qualifying Veterans

- Monetary assistance is in the form of a grant
- No shift of tax burden & no repayment
- Assistance works with exemption program
- Applicant can not be remarried

RCW 84.39

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Program Requirements

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Program Requirements

Age or
Disability

Occupancy &
Ownership

Income

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Program Requirements

Program	Age Requirement	Disability Requirement
Senior/Disabled Exemption	61 years old by Dec. 31 of assessment year (year prior to taxes due)	OR disabled by SSA definition OR a Veteran with disabilities with service-connected disability 80% evaluation or 100% compensated.
Senior/Disabled Deferral	60 years old by Dec. 31 of the filing year (tax year)	OR disabled by SSA definition
Limited Income Deferral	None	None
Widow/Widower Grant Assistance	62 years old by Dec. 31 of the filing year (tax year)	OR disabled by SSA definition

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Program Requirements

Disability Requirement

OR disabled by **SSA definition**
OR a Veteran with disabilities with
service-connected disability 80%
evaluation or 100% compensated.

OR disabled by **SSA definition**

None

OR disabled by **SSA definition**

SSA definition

The inability to engage in any substantial
gainful activity by reason of any medically
determinable physical or mental
impairment which can be expected to
result in death, or which has lasted or can
be expected to last for a continuous period
of not less than twelve months.

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Program Requirements

Program	Occupancy Requirement	Ownership Requirement
Senior/Disabled Exemption	Must occupy property as principal residence.	Must own or be purchasing.
Senior/Disabled Deferral	Must occupy property as principal residence.	Must own (on title).
Limited Income Deferral	Must occupy property as principal residence.	Must have owned the property for 5 years.
Widow/Widower Grant Assistance	Must occupy property as principal residence.	Must own or be purchasing.

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Program Requirements

Occupancy Requirement

Must occupy property as
principal residence.

Must occupy property as
principal residence.

Must occupy property as
principal residence.

Must occupy property as
principal residence.

Definition of “residence” in RCW 84.36.383 and WAC 458-16A-100

- Can include an ADU beginning with tax year 2025 and forward
- Up to one acre – OR – up to 5 acres if the larger parcel size is required under local land use regulations
- Must be the applicant’s principal residence
- Occupy the home for more than six months each calendar year
- Applicant *may* still meet the occupancy requirement when not occupying home

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Program Requirements

Home is still considered primary residence if applicant isn’t occupying in the following circumstances:

Applicant confined to:

- Hospital
- Nursing home
- Assisted living home
- Boarding home
- Adult family home OR
- Home of relative for long-term care

AND

Primary residence is:

- Temporarily vacant
- Rented to offset costs of facility
- Occupied by someone financially dependent on applicant OR
- Occupied by unpaid caretaker

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Program Requirements

Ownership Requirement

Must **own** or be purchasing.

Must **own** (on title).

Must have **owned** the property for 5 years.

Must **own** or be purchasing.

Ownership

The applicant must have an ownership interest in the property.

Qualifying Ownership includes fee simple and contract purchase.

- Exemption program additionally can allow life estate & lease for life
- Trusts may meet the ownership qualification, depending on the program

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Program Requirements

Program	Income Limits	Approval Authority
Senior/Disabled Exemption	70% county median household income (2024 taxes and forward)	Assessor
Senior/Disabled Deferral	75% county median household income (2024 taxes and forward)	Assessor
Limited Income Deferral	\$57,000	Assessor
Widow/Widower Grant Assistance	70% county median household income (2025 taxes and forward)*	Dept. of Revenue

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Program Requirements

Income Limits

70% **county median household income**
(2024 taxes and forward)

75% **county median household income**
(2024 taxes and forward)

\$57,000

70% **county median household income**
(2025 taxes and forward)*

“County median household income”
definition:

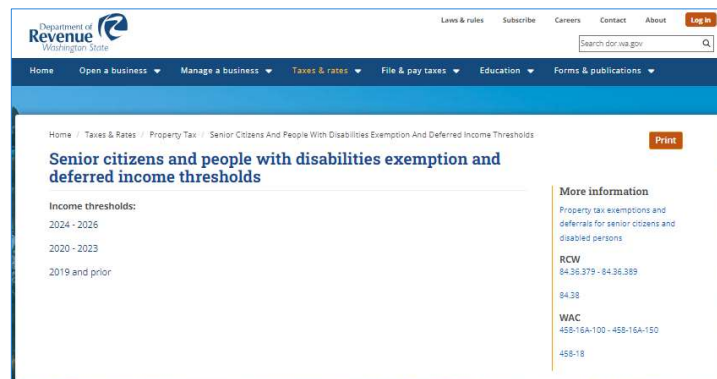
RCW 84.36.383 & WAC 458-16A-100

- Median household income estimates for the state of Washington by county
- Published by the Office of Financial Management (OFM)
- Department updates income thresholds every three years

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Program Requirements



www.dor.wa.gov/incomethresholds

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Program Requirements

Program	Approval Authority	Can Appeal Decision to:
Senior/Disabled Exemption	Assessor	Local BOE Then State BTA
Senior/Disabled Deferral	Assessor	Local BOE ONLY
Limited Income Deferral	Assessor	Local BOE ONLY
Widow/Widower Grant Assistance	Dept. of Revenue	State BTA ONLY

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Roles & Responsibilities

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Roles & Responsibilities

Exemption Program

County Assessor

- Initial point of contact
- Approves or denies and has full responsibility for administering
- Sends renewal applications to qualified applicants at least once every 6 years

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Roles & Responsibilities

Exemption Program

County Treasurer

- Bills/Collects based on reduced tax amount

County Board of Equalization

- Hears taxpayer appeals of county assessor decisions
 - BOE decisions can be appealed to BTA

Department of Revenue

- Advisory role only

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Roles & Responsibilities

Deferral Programs

County Assessor

- Initial point of contact
- Approves or denies deferral applications
- Sends renewal applications to persons who deferred in prior tax year
- Notifies DOR of canceling events

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Roles & Responsibilities

Deferral Programs

County Treasurer

- Provides tax statement
- Foreclosure process for collection

County Board of Equalization

- Hears taxpayer appeals of county assessor decisions
 - Final decision-not appealable beyond BOE

Department of Revenue

- Acts in advisory role to Assessors, Treasurers & Taxpayers
- Has authority to audit applications

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Deferral Programs

Department of Revenue - continued

- Administers after approval
 - Files liens
 - Requests payments from Office of State Treasurer (OST) to counties/taxing districts
 - Maintains accounts receivable
 - Provides annual reports to assessors and treasurers
 - Collects account balances

Assessor Decision

Assessor Decision



What can be appealed?

- Whether the taxpayer is entitled to an exemption or deferral
 - Denials
- The amount of exemption
 - Level of exemption
 - Portion of value covered by exemption

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Assessor Decision

What can be appealed?

Reasons for the appeal can include any of the program requirements:

- Age/disability
- Ownership
- Occupancy
- Portion of value covered by exemption
- Frozen value
- Combined disposable income (taxpayer disagrees with denial or with level of exemption)
- Sufficient equity (deferrals)

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Documentation

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Documentation



What type of documentation should BOE members expect to review in support of a claim?

- Depends on the reason for the appeal

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Documentation

Common Appeal Reasons	Supporting documentation
Age/disability	Drivers license, birth certificate Award letter, physician proof of disability, physician affidavit
Ownership	Deed, trust, lease for life, life estate, last will & testament, lack of probate affidavit, DOL title (mobile home)
Occupancy	Drivers license, voter registration, utility statements, bank/credit card statements
Portion of value covered by exemption	Assessment valuation records, tax returns (business use, rental use)

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Documentation

Common Appeal Reasons	Supporting documentation
Frozen value	Assessment valuation records (new construction, addition/reduction of ADU, addition/reduction of allowable acreage, destroyed property, sale, transfer, change in use)
Combined disposable Income	Tax returns, W2's, 1099's, bank statements, non-taxable income (L&I, SSA, DFAS, VA)
Sufficient equity (deferrals)	Recorded liens, balance of liens/obligations secured by property (mortgage statement, reverse mortgage, HELOC), valuation statements, homeowners insurance policy

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Documentation (Income Example)

Income		1a Total amount from Form(s) W-2, box 1 (see instructions)		1a		
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.		b Household employee wages not reported on Form(s) W-2		1b		
If you did not get a Form W-2, see instructions.		c Tip income not reported on line 1a (see instructions)		1c		
		d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d		
		e Taxable dependent care benefits from Form 2441, line 26		1e		
		f Employer-provided adoption benefits from Form 8839, line 29		1f		
		g Wages from Form 8919, line 6		1g		
		h Other earned income (see instructions)		1h		
		i Nontaxable combat pay election (see instructions)		1i		
		z Add lines 1a through 1h		1z		
Attach Schedule B if required.	2a Tax-exempt interest	2a		b Taxable interest	2b	
	3a Qualified dividends	3a	34	b Ordinary dividends	3b	
	4a IRA distributions	4a		b Taxable amount	4b	
	5a Pensions and annuities	5a	5,963	b Taxable amount	5b	
		6a Social security benefits	6a	45,634	b Taxable amount	6b
		c If you elect to use the lump-sum election method, check here (see instructions)				
		7 Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	4,105		
		8 Additional income from Schedule 1, line 10	8			
		9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	10,563		
		10 Adjustments to income from Schedule 1, line 25	10			
Standard Deduction See Standard Deduction Chart on the last page of this form.	11 Subtract line 10 from line 9. This is your adjusted gross income	11	10,563			
	12 Standard deduction or itemized deductions (from Schedule A)	12	29,200			
	13 Qualified business income deduction from Form 8995 or Form 8995-A	13				
	14 Add lines 12 and 13	14	29,200			
		15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	0		

• AGI: \$10,563

AGI	\$10,563
SSA	\$45,174
SCH D Loss	\$381
CDI	\$56,118

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Documentation (Income Example)

Income		1a Total amount from Form(s) W-2, box 1 (see instructions)		1a		
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.		b Household employee wages not reported on Form(s) W-2		1b		
If you did not get a Form W-2, see instructions.		c Tip income not reported on line 1a (see instructions)		1c		
		d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d		
		e Taxable dependent care benefits from Form 2441, line 26		1e		
		f Employer-provided adoption benefits from Form 8839, line 29		1f		
		g Wages from Form 8919, line 6		1g		
		h Other earned income (see instructions)		1h		
		i Nontaxable combat pay election (see instructions)		1i		
		z Add lines 1a through 1h		1z		
Attach Schedule B if required.	2a Tax-exempt interest	2a		b Taxable interest	2b	
	3a Qualified dividends	3a	34	b Ordinary dividends	3b	
	4a IRA distributions	4a		b Taxable amount	4b	
	5a Pensions and annuities	5a	5,963	b Taxable amount	5b	
		6a Social security benefits	6a	45,634	b Taxable amount	6b
		c If you elect to use the lump-sum election method, check here (see instructions)				
		7 Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	4,105		
		8 Additional income from Schedule 1, line 10	8			
		9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	10,563		
		10 Adjustments to income from Schedule 1, line 25	10			
Standard Deduction See Standard Deduction Chart on the last page of this form.	11 Subtract line 10 from line 9. This is your adjusted gross income	11	10,563			
	12 Standard deduction or itemized deductions (from Schedule A)	12	29,200			
	13 Qualified business income deduction from Form 8995 or Form 8995-A	13				
	14 Add lines 12 and 13	14	29,200			
		15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	0		

AGI	\$10,563
SSA	\$45,174
SCH D Loss	\$381
CDI	\$56,118

$$45,634 - 460 = 45,174$$

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Documentation (Income Example)

Income Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.	1a Total amount from Form(s) W-2, box 1 (see instructions)	1a	
b Household employee wages not reported on Form(s) W-2	1b		
c Tip income not reported on line 1a (see instructions)	1c		
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d		
e Taxable dependent care benefits from Form 2441, line 26	1e		
f Employer-provided adoption benefits from Form 8839, line 29	1f		
g Wages from Form 8919, line 6	1g		
h Other earned income (see instructions)	1h		
i Nontaxable combat pay election (see instructions)	1i		
z Add lines 1a through 1h	1z		
Attach Schedule B if required.	2a Tax-exempt interest	2a	
3a Qualified dividends	3a	34	
4a IRA distributions	4a		
5a Pensions and annuities	5a	5,963	
6a Social security benefits	6a	45,634	
b Taxable interest	2b		
b Ordinary dividends	3b		35
b Taxable amount	4b		
b Taxable amount	5b		5,963
b Taxable amount	6b		460
c If you elect to use the lump-sum election method, check here (see instructions)			
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here	7		4,105
8 Additional income from Schedule 1, line 10	8		
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9		10,563
10 Adjustments to income from Schedule 1, line 25	10		
11 Subtract line 10 from line 9. This is your adjusted gross income	11		10,563
12 Standard deduction or itemized deductions (from Schedule A)	12		29,200
13 Qualified business income deduction from Form 8995 or Form 8995-A	13		
14 Add lines 12 and 13	14		29,200
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15		0

AGI	\$10,563
SSA	\$45,174
SCH D Loss	\$381
CDI	\$56,118

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Documentation (Income Example)

Part I Short-Term Capital Gains and Losses — Generally Assets Held One Year or Less (see instructions)				
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked	1,296	1,677	0	-381
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				-381
Part II Long-Term Capital Gains and Losses — Generally Assets Held More Than One Year (see instructions)				
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions)				

AGI	\$10,563
SSA	\$45,174
SCH D Loss	\$381
CDI	\$56,118

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Resources

WASHINGTON STATE DEPARTMENT OF REVENUE 35

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Property Tax Resources

- Washington State Laws & Rules (RCW & WAC)
- DOR webpage
- Property Tax Resource Center
- Program Manual
- Forms & Brochures



WASHINGTON STATE DEPARTMENT OF REVENUE 36

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Property Tax Resources

- Washington State Laws & Rules (RCW & WAC)

[Revised Code of Washington \(RCW\) - https://app.leg.wa.gov/RCW/default.aspx](https://app.leg.wa.gov/RCW/default.aspx)

[Washington Administrative Code \(WAC\) - https://app.leg.wa.gov/WAC/default.aspx](https://app.leg.wa.gov/WAC/default.aspx)

Exemption Program	Senior Deferral	Limited Income Deferral
RCW 84.36.379 – 389	RCW 84.38	RCW 84.37
WAC 458-16A	WAC 458-18	WAC 458-18A

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Property Tax Resources

- DOR webpage [Department of Revenue - https://dor.wa.gov/](https://dor.wa.gov/)

The screenshot shows the Washington State Department of Revenue website. The header includes the DOR logo, navigation links (Laws & rules, Subscribe, Careers, Contact, About, Log in), and a search bar. The main navigation menu has links for Home, Open a business, Manage a business, Taxes & rates (highlighted), File & pay taxes, Education, and Forms & publications. The main content area is titled 'Property tax' and includes a 'Print' button. The text states: 'The Department of Revenue oversee the administration of property taxes at state and local levels. We do not collect property tax.' It then lists 'Your county assessor and treasurer administer property tax' with bullet points: 'County assessors value (assess) your property' and 'County treasurers collect property tax'. It also says 'Contact your local county officials.' and 'Understanding property tax (video 3:30)' with a link icon. A paragraph follows: 'Property tax is the oldest tax levied in the state of Washington, and it's also one of the more difficult to understand. Property taxes are essential for funding local services such as fire protection, libraries, parks and recreation, and public schools. Watch our Understanding Property Tax video and learn the basics of property tax.' On the right, a 'More information' sidebar lists links: 'A Homeowner's Guide to Property Taxes', 'How the 1% property tax levy limit works', 'Important dates (property tax calendar)', 'Ratio study information', 'Sign up for property tax notifications', and 'Statistics, laws & other resources'.

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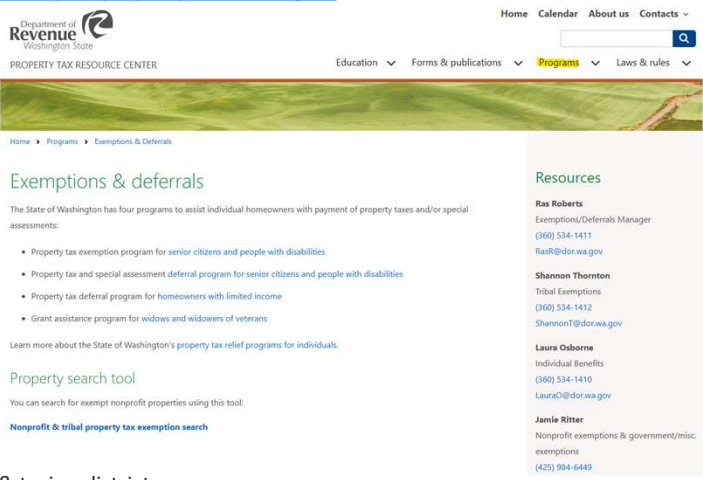
Resources

Property Tax Resources

- Property Tax Resource Center (PTRC)**
[Property Tax Resource Center - https://propertytax.dor.wa.gov/](https://propertytax.dor.wa.gov/)

Includes:


- Program Manual
- Forms & Brochures



Resource for county officials & taxing districts

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Questions?

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Combined Disposable Income Worksheet

Attach and submit the completed worksheet with your property tax relief application.

Instructions (worksheet is on the last page)

The terms disposable income and combined disposable income for the purpose of Washington's property tax relief programs for individuals are defined in RCW 84.36.383 and WAC 458-16A-100. Use this worksheet to calculate your combined disposable income and enter the result on your property tax relief application(s).

Enter the calendar year of the income you are reporting.

If you, your spouse/domestic partner, and/or co-tenants are required to file a federal income tax return, mark yes even if they have not been filed yet. Note: if federal income tax returns are required to be filed, you will need to provide a complete copy of the federal income tax returns submitted to the IRS. Your county assessor may require you to wait to complete your application(s) until the federal income tax returns have been filed with the IRS.

Disposable income: Include amounts for you and your spouse or domestic partner as well as amounts of anyone living in the residence that has an ownership interest in the residence.

Line 1 If you filed a federal income tax return enter your federal Adjusted Gross Income (AGI) on Line 1 and include a complete copy of your federal income tax return. If you did not file a federal income tax return enter zero.

Line 2 If you filed a federal income tax return, enter the amount of capital gains exempted or not reported on your federal income tax return. If you did not file a federal income tax return, enter all your capital gains from all sources. This includes the gain on the sale of a primary residence to the extent the gain was not used to purchase a replacement primary residence. Do not use losses to offset gains. Include copies of 1099's and year-end account statements.

Line 3 If you filed a federal income tax return and reported losses, you must add back the losses to the extent they were used to offset or reduce income. Ex1: On Schedule D, you reported a \$10,000 loss but the loss was limited to \$3,000. Enter \$3,000 on Line 3. Ex2: You filed two Schedule C's – one with a \$10,000 loss and one with a \$5,000 net income. A net loss of \$5,000 was reported on your federal income tax return. Enter \$10,000 on Line 3. If you did not file a federal income tax return, enter zero.

Combined Disposable Income Worksheet

Line 4 If you filed a federal income tax return and reported depreciation and the net result was a loss, you must recalculate the net income/loss without the depreciation expense. If there is still a net loss enter zero on Line 4. If the result is net income, enter the net income on Line 4. If you did not file a federal income tax return, calculate any business, rental, etc. net income/loss without a deduction for depreciation expense. Include copies of all supporting documents.

Line 5 If you filed a federal income tax return, enter the amount of nontaxable wages you received. If all your wages were taxable and included on your federal income tax return, enter zero. If you did not file a federal income tax return, enter the total wage income you received. Include copies of W-2's or wage statements.

Line 6 If you filed a federal income tax return, enter the amount of nontaxable interest and dividends received. Include nontaxable interest on state and municipal bonds. If you did not file a federal income tax return, enter the total interest and dividend income you received including interest on state and municipal bonds. Include copies of 1099's or other tax statements.

Line 7 If you filed a federal income tax return, enter the amount of nontaxable pension and annuity distributions you received. Ex: You received \$10,000 in pensions and annuities. The taxable amount was \$6,000. Enter the nontaxable \$4,000 on Line 6. If you did not file a federal income tax return, enter the gross pension and annuity distribution amounts on Line 6. Do not include nontaxable IRA distributions. Include copies of 1099's.

Line 8 If you filed a federal income tax return, enter the amount of nontaxable military pay and benefits, including Combat Related Special Compensation (CRSC), you received. Do not include attendant-care and medical-aid payments. If you did not file a federal income tax return, enter the amount of all military pay and benefits regardless of whether it is subject to federal income tax. Do not include attendant-care and medical-aid payments. Include copies of award letters or other supporting documents.

Line 9 If you filed a federal income tax return, enter the amount of nontaxable veteran pay and benefits you received. Do not include attendant-care and medical-aid payments, disability compensation, or dependency and indemnity compensation paid by DVA. If you did not file a federal income tax return, enter the total amount of veteran pay and benefits you received. Do not include attendant-care and medical-aid payments, disability compensation, or dependency and indemnity compensation paid by DVA. Include copies of award letters or other supporting documents.

Line 10 If you filed a federal income tax return, enter the amount of nontaxable social security and railroad retirement benefits. Ex: Your gross Social Security benefit was \$10,000 and \$4,000 was subject to federal income tax, enter the nontaxable \$6,000 on Line 9. If you did not file a federal income tax return, enter the gross social security and railroad retirement benefits you received. Include copies of 1099's.

Combined Disposable Income Worksheet

Line 11 If you filed a federal income tax return, enter the amount of business, rental, or farming income not reported on your federal income tax return or related schedules. If you did not file a federal income tax return enter the total amount of business, rental, or farming income. You can deduct normal expenses, except depreciation, but do not use losses to offset income. Include copies of all supporting documents.

Line 12 If you filed a federal income tax return, enter the amount of any other income you received not reported on your federal income tax return or disclosed on a previous line including money contributed to household expenses from other residents. If you did not file a federal income tax return, enter the amount of any other income you received not reported on a previous line including money contributed to household expenses from other residents.

Deductions: Include amounts paid by you and your spouse or domestic partner that were not reimbursed by insurance or other organizations or providers.

Line 14 Enter nursing home, assisted living facility, or adult family home expenses incurred. Provide copies of invoices or equivalent documents for the amounts entered.

Line 15 Enter home health care expenses incurred. Home health care means the treatment or care received in the home that is similar to the type of care provided in the normal course of treatment or care in a nursing home. The providers of home health care do not have to be licensed for the cost to be deductible under this provision. Qualifying expenses may be: physical therapy received in the home, medical treatments or care received in the home, attendant care, light housekeeping tasks, meals-on-wheels, or life alert. Provide copies of invoices or equivalent documents for the amounts entered.

Line 16 Enter the amounts paid for prescription drugs. Provide a summary from your pharmacies or equivalent documents for the amounts entered.

Line 17 Enter the amounts paid for Medicare Parts A, B, C, or D insurance premiums. Provide copies of SSA-1099, invoices, or equivalent documents for amounts entered.

Line 18 Enter the amounts paid for approved Medicare supplemental insurance premiums. Provide copies of statements identifying insurance company, plan number, and premiums paid.

Line 19 Enter amounts paid for durable medical equipment, mobility enhancing equipment, and prosthetic devices. Deductible amounts include for purchase, rental, repair, cleaning, replacement parts, etc. Review WAC 458-20-18801 tables 1, 3, and 5 for qualifying items. Provide receipts or invoices for amounts entered.

Line 20 Enter amounts paid for medically prescribed oxygen, including but not limited to, oxygen concentrator systems, oxygen enricher systems, liquid oxygen systems, and gaseous, bottled oxygen systems prescribed. Provide receipts or invoices for amounts entered.

Combined Disposable Income Worksheet

Line 21 Enter amounts paid for long-term care insurance premiums. Provide invoices or equivalent documents for amounts entered.

Line 22 Enter amount paid for cost-sharing. Cost-sharing amounts included deductibles, co-insurance, co-payments for enrollees in health plan; the amounts counted toward the plans out-of-pocket maximum. Provide a coverage summary that identifies the amount of out-of-pocket maximum incurred.

Line 23 Enter amounts paid for nebulizers; a device, not a building fixture, that converts a liquid medication into a mist so that it can be inhaled. Provide receipts or invoices for amounts entered.

Line 24 Enter amounts paid for medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, by a naturopath licensed under Washington law. Provide the receipts or invoices for amounts entered, a copy of the treatment plan, and the name of the naturopath and their Washington license number.

Line 25 Enter the amounts paid for ostomic items; disposable medical supplies used by colostomy, ileostomy, and urostomy patients, and includes bags, belts to hold up bags, tapes, tubes, adhesives, deodorants, soaps, jellies, creams, germicides, and other like supplies. Does not include undergarments, pads, and shields to protect undergarments, sponges, or rubber sheets. Provide receipts or invoices identifying items and amounts paid.

Line 26 Enter amounts paid for insulin for human use. Provide receipts or invoices identifying items and amounts paid.

Line 27 Enter amounts paid for kidney dialysis devices. Provide receipts or invoices identifying items and amounts paid.

Line 28 Enter amounts paid for disposable devices used to deliver drugs such as syringes, tubing, or catheters. Does not include a stand or device that holds the tubing or catheter. Provide receipts or invoices identifying items and amounts paid.

Line 29 If you filed a federal income tax return, enter zero. The amount you entered on Line 1 accounts for adjustments to income if you filed a federal income tax return. If you did not file a federal income tax return, review federal form Schedule 1 (Form 1040) and federal form Schedule 1 instructions for valid adjustments to income. If any adjustments are applicable, enter the amounts. Provide supporting documents for all amounts entered.

Line 31 Combined disposable income. Enter this amount on your main application; Senior Citizen and People with Disabilities Exemption from Real Property Taxes, Deferral Application for Senior Citizens and People with Disabilities, Deferral Application for Homeowners with Limited Income, Property Tax Assistance Application for Widows/Widowers of Veterans or One-Time Waiver of Interest and Penalties.

Combined Disposable Income Worksheet

Income year:	
Are you required to file a federal income tax return?	Yes No
<u>Disposable income</u>	<u>Amount</u>
1. Federal adjusted gross income from Federal Form 1040	
2. Capital gains not reported on your federal income tax return	
3. Losses reported on your federal income tax return	
4. Depreciation reported on your federal income tax return	
5. Wage income: nontaxable and/or not reported on your federal income tax return	
6. Dividend or interest income: nontaxable and/or not reported on your federal income tax return	
7. Pension and annuity income: nontaxable and/or not reported on your federal income tax return	
8. Military pay and benefits: nontaxable and/or not reported on your federal income tax return	
9. Veterans pay and benefits: nontaxable and/or not reported on your federal income tax return	
10. Social security or railroad retirement benefits: nontaxable and/or not reported on your federal income tax return	
11. Business, rental, or farming income not reported on your federal income tax return	
12. Other income not included in amounts on Lines 1-11, provide the source, type and amount	
13. Add lines 1-12 This is your total disposable income:	
<u>Deductions</u>	
14. Nursing home, assisted living or adult family home	
15. Home health care	
16. Prescription drugs	
17. Medicare parts A,B,C, D insurance premiums	
18. Medicare supplemental/Medigap insurance premiums	
19. Durable medical and mobility enhancing equipment and prosthetic devices	
20. Medically prescribed oxygen	
21. Long-term care insurance	
22. Cost-sharing amounts	
23. Nebulizers	
24. Medicines of mineral, animal and botanical origin prescribed, administered, dispensed, by a naturopath licensed under Washington law	
25. Ostomic items	
26. Insulin for human use	
27. Kidney dialysis devices	
28. Disposable devices used to deliver drugs for human use	
29. Adjustments to income	
30. Add lines 14-29 This is your total deductions:	
31. Subtract line 30 from line 13 This is your total combined disposable income:	

RCW 84.36.383(2) – Combined Disposable Income

(2) "Combined disposable income" means the disposable income of the person claiming the exemption, plus the disposable income of his or her spouse or domestic partner, and the disposable income of each cotenant occupying the residence for the assessment year, less amounts paid by the person claiming the exemption or his or her spouse or domestic partner during the assessment year for:

- (a) Drugs supplied by prescription of a medical practitioner authorized by the laws of this state or another jurisdiction to issue prescriptions;
- (b) The treatment or care of either person received in the home or in a nursing home, assisted living facility, or adult family home;
- (c) Health care insurance premiums for medicare under Title XVIII of the social security act;
- (d) Costs related to medicare supplemental policies as defined in Title 42 U.S.C. Sec. 1395ss;
- (e) Durable medical equipment, mobility enhancing equipment, medically prescribed oxygen, and prosthetic devices as defined in RCW [82.08.0283](#);
- (f) Long-term care insurance as defined in RCW [48.84.020](#);
- (g) Cost-sharing amounts as defined in RCW [48.43.005](#);
- (h) Nebulizers as defined in RCW [82.08.803](#);
- (i) Medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, or used in the treatment of an individual by a person licensed under chapter [18.36A](#) RCW;
- (j) Ostomic items as defined in RCW [82.08.804](#);
- (k) Insulin for human use;
- (l) Kidney dialysis devices; and
- (m) Disposable devices used to deliver drugs for human use as defined in RCW [82.08.935](#).

WAC 458-16A-100(7) – Combined Disposable Income

(7) **Combined disposable income.** "Combined disposable income" means the annual disposable income of the claimant, the claimant's spouse or domestic partner, and any cotenant occupying the residence for the assessment year, reduced by amounts paid by the claimant or the claimant's spouse or domestic partner for their:

- (a) Legally prescribed drugs;
- (b) Home health care as defined in subsection (19) of this rule;
- (c) Nursing home, boarding home, assisted living facility, or adult family home expenses;
- (d) Health care insurance premiums for medicare under Title XVIII of the Social Security Act;
- (e) Costs related to medicare supplemental policies as defined in Title 42 U.S.C. Sec. 1395ss;
- (f) Durable medical equipment, mobility enhancing equipment, medically prescribed oxygen, and prosthetic devices as defined in RCW [82.08.0283](#) (see also WAC [458-20-18801](#));
- (g) Long-term care insurance as defined in RCW [48.84.020](#);
- (h) Cost-sharing amounts as defined in RCW [48.43.005](#);
- (i) Nebulizers as defined in RCW [82.08.803](#);
- (j) Medicines of mineral, animal, and botanical origin prescribed, administered, dispensed, or used in the treatment of an individual by a person licensed under chapter [18.36A](#) RCW;
- (k) Ostomic items as defined in RCW [82.08.804](#);
- (l) Insulin for human use;
- (m) Kidney dialysis devices; and
- (n) Disposable devices used to deliver drugs for human use, as defined in RCW [82.08.935](#).

RCW 84.36.383(7) – Disposable Income

(7) "Disposable income" means **adjusted gross income** as defined in the federal internal revenue code, as amended prior to January 1, 1989, or such subsequent date as the director may provide by rule consistent with the purpose of this section, **plus all of the following items to the extent they are not included in or have been deducted from adjusted gross income:**

(a) Capital gains, other than gain excluded from income under section 121 of the federal internal revenue code to the extent it is reinvested in a new principal residence;

(b) Amounts deducted for loss;

(c) Amounts deducted for depreciation;

(d) Pension and annuity receipts;

(e) Military pay and benefits other than attendant-care and medical-aid payments;

(f) Veterans benefits, other than:

(i) Attendant-care payments;

(ii) Medical-aid payments;

(iii) Disability compensation, as defined in Title 38, part 3, section 3.4 of the Code of Federal Regulations, as of January 1, 2008; and

(iv) Dependency and indemnity compensation, as defined in Title 38, part 3, section 3.5 of the Code of Federal Regulations, as of January 1, 2008;

(g) Federal social security act and railroad retirement benefits;

(h) Dividend receipts; and

(i) Interest received on state and municipal bonds.

WAC 458-16A-100(13) – Disposable Income

(13) **Disposable income.** "Disposable income" means the adjusted gross income as defined in the Federal Internal Revenue Code of 2001, and as amended after that date, plus all items described below to the extent they are not included in or have been deducted from adjusted gross income:

(a) Capital gains, other than gain excluded from the sale of a principal residence that is reinvested prior to the sale or within the same calendar year in a different principal residence;

(b) Amounts deducted for loss;

(c) Amounts deducted for depreciation;

(d) Pension and annuity receipts;

(e) Military pay and benefits other than attendant-care and medical-aid payments. Attendant-care and medical-aid payments are any payments for medical care, home health care, health insurance coverage, hospital benefits, or nursing home benefits provided by the military;

(f) Veterans benefits other than:

(i) Attendant-care payments and medical-aid payments, defined as any payments for medical care, home health care, health insurance coverage, hospital benefits, or nursing home benefits provided by the VA;

(ii) Disability compensation, defined as payments made by the VA to a veteran because of a service-connected disability; and

(iii) Dependency and indemnity compensation, defined as payments made by the VA to a surviving spouse, child, or parent because of a service-connected death;

(g) Federal Social Security Act and railroad retirement benefits;

(h) Dividend receipts; and

(i) Interest received on state and municipal bonds.



CLASSIFIED LAND APPEALS

- *Designated Forestland, RCW 84.33*
- *Current Use Open Space, RCW 84.34*

Current Use Specialist: Janeene Niemi
JaneeneN@dor.wa.gov
 360.534.1422

BOE New Member Training, 2025

1

Classified Land Appeals

Chapters 84.33 & 84.34 RCW

BOE JURISDICTION

WAC 458-14-015(1) Authorizes the Board of Equalization (BOE) to hear appeals, including those related to land classified as **Designated Forestland** (DFL) or **Current Use Open Space** (CU/OS) land.

- Denial of DFL Application under RCW 84.33.130;
- Removal from DFL under RCW 84.33.140;
- Denial of Application for Open Space Farm & Agriculture under RCW 84.34.035;
- Removal from CU/OS under RCW 84.34.108;
- Market value of classified land;
- Assessed value placed by the assessor.



2

Designated Forestland (DFL)

Chapter 84.33 RCW

Defined in RCW 84.33.035 (5) "Forestland" is synonymous with "designated forestland" and means any parcel of land that is five or more acres or multiple parcels of land that are contiguous and total five or more acres that is or are devoted primarily to growing and harvesting timber.

- Primary use must be growing and harvesting timber
- Land must be managed with that intent
- Must be 5.00 acres or more and contiguous
- Land only; no homesite allowance

BOE Jurisdiction regarding DFL

1. Denial of Applications
2. Removal of Classification
3. Assessed and market values

WASHINGTON STATE DEPARTMENT OF REVENUE 3

3

Designated Forestland (DFL)

Chapter 84.33 RCW

Denial of DFL Applications

Application Process, RCW 84.33.130

(4) The application must be upon forms prepared by the department and supplied by the assessor and **must include the following**:

- | | |
|--|--|
| ➤ Legal description and parcel number(s) of land to be classified | ➤ Whether the land has been subdivided or platted |
| ➤ Date of land acquisition | ➤ Whether the land is subject to any lease or other right allowing a use other than growing and harvesting timber |
| ➤ Brief description of timber or, if timber has been recently harvested, the owner's plan for restocking | ➤ A statement that the applicant is aware of the potential tax liability if land ceases being designated as Forestland |
| ➤ Copy of the timber management plan if one exists and update regarding implementation of that plan | ➤ An affirmation that the statements made in the application are true and that the land meets the definitions found in RCW 84.33.035 |
| ➤ Whether the land is used for grazing | ➤ A description and/or drawing showing any incidental uses compatible with the definition of forestland |
| ➤ Whether the land and applicant are in compliance with the provisions of Title 76 RCW | |
| ➤ Whether the land is subject to forest protection assessments under RCW 76.04.610 | |

WASHINGTON STATE DEPARTMENT OF REVENUE 4

4

Designated Forestland (DFL)

Chapter 84.33 RCW

Denial of DFL Applications

Application Process, RCW 84.33.130

(6) The assessor must act upon the application with due regard to all relevant evidence and without any one or more items of evidence necessarily being determinative, except **the application may be denied for one of the following reasons, without regard to other items:**

- Land does not contain "merchantable stand of timber" as defined in 76.09 RCW **unless**
 1. *The land has been recently harvested OR supports a growth of brush or noncommercial type timber, **AND** the application includes a plan for restocking within 3 years, OR*
 2. *Only isolated areas do not meet minimum standards due to rock outcroppings, swamps, unproductive soil, or other natural conditions*
- The applicant has failed to comply with a final order regarding a violation of the provisions of Title 76 RCW; or
- The land abuts a body of salt water and lies between the line of ordinary high tide and a parallel line 200' horizontally landward

WASHINGTON STATE DEPARTMENT OF REVENUE 5

5

Designated Forestland (DFL)

Chapter 84.33 RCW

Denial of DFL Applications

Application Process, RCW 84.33.130

- (7) Application is deemed to be approved if not denied prior to July 1st
- (8) Applicant may appeal denial in accordance with RCW 84.40.038

Once assessor makes a determination, applicant will receive the **Notice of Approval or Denial of Application for Designation as Forestland.**

APPEALING A DENIAL

- Appeal process is explained on the Notice
- 30 days from the Notice of Denial to file appeal (or 60 days, if adopted by county legislative authority)

When recorded return to:

Notice of Approval or Denial of Application for Designation as Forest Land Chapter 84.33 RCW

Grantor (County): _____

Grantee(s) (Property Owner(s)): _____

Property address(es): _____

Legal description(s): _____

Assessor's Property Tax Parcel(s) or Account Number(s): _____

Application received on: _____

Your application for Designated Forest Land classification has been:

- ☐ Approved in whole ☐ Approved in part
☐ Denied in whole ☐ Denied in part

Partial Approval — Legal description(s) for partial approval: _____

Denial — A portion or all of the land described above has been denied designation. Reason for denial: _____

Appeal — The property owner or person responsible for the payment of taxes may appeal the assessor's denial of designation to the County Board of Equalization. Said Board may not be required to consider the appeal. The petition must be filed with the Board on or before July 1 of the year of the determination, or within thirty days after the notice has been mailed, or within a time limit of up to sixty days adopted by the county legislative authority, whichever is later. A decision may be obtained by either contacting the assessor or the county board of equalization in the county in which the land is located. County contact information can be found at the following website: <http://dki.wa.gov/Content/EFT/AssessAndRates/PropertyTaxLinks.aspx>

Assessor/Deputy _____ Date _____

To ask about the availability of this publication in an alternate format for the visually impaired, please call (800) 705-6715. TTY users may use the Washington Relay Service by calling 711. For tax assistance, call (206) 554-1400.

REV 62 0046 (2012)

WASHINGTON STATE DEPARTMENT OF REVENUE 6

6

Designated Forestland (DFL)

Chapter 84.33 RCW

APPEALING A DENIAL

Form REV 64 0077 Petition to BOE for Review of Current Use or Designated Forestland Determination

- “Reverse the denial of application...”
(with copy of the application attached)
- #6 “Reasons... why application for classification/designation should not be denied”

6. Reasons why assessor's valuation of property is being challenged, why classification designation should be continued, or why application for classification designation should not be denied.

7. If you are appealing the assessor's determination of current use/designated forest land assessed value, complete the following:

(a) Assessor's determination of current use/designated forest land value:	(b) Your estimate of current use/designated forest land value:
Land.....\$	Land.....\$
Improvements/Bldgs.....\$	Improvements/Bldgs.....\$
Crops/Minerals.....\$	Crops/Minerals.....\$
TOTAL.....\$	TOTAL.....\$

8. Land And Crop Information (Farm and agricultural land only)
Attach copies of signed leases of comparable properties to support your opinion of rental value.
(WAC 435-03-260 - Valuation procedure - says in part "only leases of land that is available for rent for a period of at least three years... may be used.")

Did the applicant submit a complete and accurate application?
Does the land meet the definitions of Designated Forestland as found in RCW 84.33.020?

Taxpayer Petition to the County Board of Equalization for Review of Current Use or Designated Forest Land Determination

Office Use Only
Petition No: _____
Date Received: _____

Tax Parcel No: _____
☐ I request the information used by the assessor in valuing my property.
Assessor's "Change of Value Notice" or other determination notice was dated: _____

If appealing the true and fair (market) value for land classified under chapter 84.34 RCW (Current Use) or chapter 84.33 RCW (Designated Forest Land), do not complete this form. Instead, complete form REV 64 0075, *Taxpayer Petition to the County Board of Equalization for Review of Real Property Valuation Determination*. The undersigned petitions the Board of Equalization to:

- ☐ Change the current use or forest land valuation of the following described property as shown on the assessment rolls for the year _____ to the amount shown in Item 7.
- ☐ Reverse the assessor's decision to remove classification/designation from the following described land. The statement supporting continued classification/designation is shown in Item 6.
- ☐ Reverse the denial of application for current use farm and agricultural land classification. I have attached a copy of the application form, REV 64 0024 or REV 64 0108.
- ☒ Reverse the denial of application for designated forest land. I have attached a copy of the application form, REV 62 0021 or REV 62 0110.

All Items Must Be Completed (Please print)

1. Account Parcel Number: Enter this number in the space provided at the top right-hand corner of this petition. Your account or parcel number appears on both your determination notice and your tax statement. If you are appealing multiple parcels, you must submit separate petitions for each parcel.

2. Owner: _____
Mailing address for all correspondence relating to appeal:
Street Address: _____
City, State, Zip Code: _____
Daytime Phone No: _____ Fax No: _____
Name of Petitioner or Authorized Agent: _____

3. Present classification/designation of the property which is the subject of this petition is: (check one):
☐ Farm and agricultural land ☐ Open space ☐ Timber land ☐ Designated forest land

4. General description of property:
a. Address/Location: _____
b. Zoning or Permitted Use: _____

5. General description of property and use:

Present Use	Acres
_____	_____
_____	_____
_____	_____

This petition must be filed with the County Board of Equalization on or before July 1 of the year of the assessment or determination, or within 30 days (or up to 60 days if the county legislative authority has adopted it) after the date an assessment, value change notice, or other notice has been mailed, whichever is later.

REV 64 0077 (6/24/19)

WASHINGTON STATE DEPARTMENT OF REVENUE 7

7

Designated Forestland (DFL)

Chapter 84.33 RCW

Removal of DFL Classification

RCW 84.33.140(5) Land graded, assessed, and valued as forestland must continue to be so graded, assessed, and valued until removal of designation by the assessor upon the occurrence of any of the following:

- Receipt of Notice from the owner to remove designation
- Sale or transfer to an ownership making the land exempt from ad valorem taxation
- Sale or transfer to a new owner without a signed Notice of Continuance (except transfer to an heir/devisee OR transfer on death deed)
- Determination by assessor:
 1. Land is no longer primarily used for growing and harvesting timber (in whole or in part); OR
 2. Owner failed to comply with final order regarding a violation of the provisions of Title 76 RCW; OR
 3. Restocking has not occurred within the time specified.

WASHINGTON STATE DEPARTMENT OF REVENUE 8

8

Designated Forestland (DFL)

Chapter 84.33 RCW

Removal of DFL Classification

BASED ON ASSESSOR DETERMINATION

- Owner must be given written notice using form **REV 62 0048 Notice of Intent to Remove DFL**
- Owner must have an **opportunity to respond** before removal is completed.

ALL DFL REMOVALS

- Notice of Removal prepared on **REV 62 0047 Notice of Removal of Designated Forestland and Compensating Tax Calculation**

RCW 84.33.140(9) Within 30 days after the removal of designation as forestland, the assessor must notify the owner in writing, setting forth the reasons for the removal. The seller, transferor, or owner **may appeal the removal** to the county board of equalization in accordance with the provisions of RCW 84.40.038.

County Assessor

**Notice of Removal of Designated Forest Land
and Compensating Tax Calculation
Chapter 84.33 RCW**

Grantor or County: _____ County: _____
 Grantee or Property Owner: _____
 Mailing Address: _____
 City: _____ State: _____ Zip: _____
 Property Address: _____
 Legal Description: _____
 Assessor's Parcel/Account Number: _____
 Reference Numbers of Documents Assigned or Released: _____
 You are hereby notified that the above described property has been removed from designated forest land as of _____. The land no longer meets the definition and/or provisions of designated forest land for the following reason(s): _____

Is removal subject to compensating tax? ☐ Yes ☐ No
 If yes, go to page two and complete the rest of the form. If no, complete questions 1-4 on this page.

1. Date of removal: _____
 2. Calculate amount due in #2 (recording fee only) and #4 (calculation of tax for remaining current year).
 3. Reason for exception (see page 4 for exceptions) _____
 4. Provide a brief explanation on why removal meets the exception listed in #3: _____

County Assessor or Deputy: _____ Date of Notice: _____
 Total Compensating Tax Due: _____ Payment Due Date: _____
 (See #2 on next page) (REV 62 0047 (08/02/17))

WASHINGTON STATE DEPARTMENT OF REVENUE 9

9

Designated Forestland (DFL)

Chapter 84.33 RCW

APPEALING A REMOVAL

Form REV 64 0077 **Petition to BOE for Review of Current Use or Designated Forestland Determination**

- "Reverse the assessor's decision to remove classification/designation..."
- #6 "Reasons... why application for classification/designation should be continued..."

6. Reasons why assessor's valuation of property is being challenged, why classification/designation should be continued, or why application for classification/designation should not be denied.

7. If you are appealing the assessor's determination of current use/designated forest land assessed value, complete the following:

(a) Assessor's determination of current use/designated forest land value:	(b) Your estimate of current use/designated forest land value:
Land: \$ _____	Land: \$ _____
Improvements/Bldg: \$ _____	Improvements/Bldg: \$ _____
Crops/Minerals: \$ _____	Crops/Minerals: \$ _____
TOTAL: \$ _____	TOTAL: \$ _____

To appeal the true and fair (market) value:
REV 64 0075 Taxpayer Petition to BOE for Review of Real Property Valuation Determination

**Taxpayer Petition to the
County Board of Equalization for
Review of Current Use or Designated Forest Land Determination**

Office Use Only
 Petition No: _____
 Date Received: _____

Tax Parcel No: _____
☐ I request the information used by the assessor in valuing my property.
 Assessor's "Change of Value/Notice" or other determination notice was dated _____

If appealing the true and fair (market) value for land classified under chapter 84.34 RCW (Current Use) or chapter 84.33 RCW (Designated Forest Land), do not complete this form. Instead, complete form REV 64 0075, *Taxpayer Petition to the County Board of Equalization for Review of Real Property Valuation Determination*.

The undersigned petitioners the Board of Equalization to:

☐ Change the current use or forest land valuation of the following described property as shown on the assessment rolls for the year _____ to the amount shown in Item 7.

☒ Reverse the assessor's decision to remove classification/designation from the following described land. The statement supporting continued classification/designation is shown in Item 6.

☐ Reverse the denial of application for current use farm and agricultural land classification. I have attached a copy of the application form, REV 64 0024 or REV 64 0108.

☐ Reverse the denial of application for designated forest land. I have attached a copy of the application form, REV 62 0021 or REV 62 0110.

All Items Must Be Completed (Please Print)

1. Account/Parcel Number: Enter this number in the space provided at the top right-hand corner of this petition. Your account or parcel number appears on both your determination notice and your tax statement. If you are appealing multiple parcels, you must submit separate petitions for each parcel.

2. Owner:
 Mailing address for all correspondence relating to appeal:
 Street Address: _____
 City, State, Zip Code: _____
 Daytime Phone No: _____ Fax No: _____
 Name of Petitioner or Authorized Agent: _____

3. Present classification/designation of the property which is the subject of this petition is: (check one):
☐ Farm and agricultural land ☐ Open space ☐ Timber land ☐ Designated forest land

4. General description of property:
 a. Address/Location: _____
 b. Zoning or Permitted Use: _____

5. General description of property and use:

Present Use	Acres
_____	_____
_____	_____
_____	_____

This petition must be filed with the County Board of Equalization on or before July 1 of the year of the assessment or determination, or within 30 days (or up to 60 days if the county legislative authority has adopted it) after the date an assessment, value change notice, or other notice has been mailed, whichever is later.

REV 64 0077 (0/24/19)

WASHINGTON STATE DEPARTMENT OF REVENUE 10

10

Designated Forestland (DFL)

Chapter 84.33 RCW

APPEALING THE ASSESSED VALUE

Form REV 64 0077 **Petition to BOE for Review of Current Use or Designated Forestland Determination**

- “Change the current use or forest land valuation of the following described property...”
- #7 Asks for the assessor’s determination of forest land value and the taxpayer’s estimate of forest land value.

6. Reasons why assessor’s valuation of property is being challenged, why classification/designation should be continued, or why application for classification/designation should not be denied.

7. If you are appealing the assessor’s determination of current use/designated forest land assessed value, complete the following:

(a) Assessor’s determination of current use/designated forest land value:	(b) Your estimate of current use/designated forest land value:
Land.....\$	Land.....\$
Improvements/Bldgs.....\$	Improvements/Bldgs.....\$
Crops/Minerals.....\$	Crops/Minerals.....\$
TOTAL.....\$	TOTAL.....\$

8. **Land And Crop Information (Farm and agricultural land only)**
Attach copies of signed leases of comparable properties to support your opinion of rental values:
(WAC 458-30-260 – Valuation procedures – Says in part “only leases of land that is available for rent for a period of at least three years ... may be used.”)

Taxpayer Petition to the County Board of Equalization for Review of Current Use or Designated Forest Land Determination

Office Use Only
Petition No.:
Date Received:

Tax Parcel No.:
☐ I request the information used by the assessor in valuing my property.
Assessor’s “Change of Value Notice” or other determination notice was dated: _____

If appealing the true and fair (market) value for land classified under chapter 84.34 RCW (Current Use) or chapter 84.33 RCW (Designated Forest Land), do not complete this form. Instead, complete form REV 64 0075, *Taxpayer Petition to the County Board of Equalization for Review of Real Property Valuation Determination*. The undersigned petitions the Board of Equalization to:

- ☒ Change the current use or forest land valuation of the following described property as shown on the assessment rolls for the year _____ to the amount shown in Item 7.
- ☐ Reverse the assessor’s decision to remove classification/designation from the following described land. The statement supporting continued classification/designation is shown in Item 6.
- ☐ Reverse the denial of application for current use farm and agricultural land classification. I have attached a copy of the application form, REV 64 0024 or REV 64 0108.
- ☐ Reverse the denial of application for designated forest land. I have attached a copy of the application form, REV 62 0021 or REV 62 0110.

All Items Must Be Completed (Please print)

1. Account Parcel Number: Enter this number in the space provided at the top right-hand corner of this petition. Your account or parcel number appears on both your determination notice and your tax statement. If you are appealing multiple parcels, you must submit separate petitions for each parcel.

2. Owner: _____

Mailing address for all correspondence relating to appeal:

Street Address: _____

City, State, Zip Code: _____

Daytime Phone No.: _____

Fax No: _____

Name of Petitioner or Authorized Agent: _____

3. Present classification/designation of the property which is the subject of this petition is: (check one):

☐ Farm and agricultural land ☐ Open space ☐ Timber land ☐ Designated forest land

4. General description of property:

a. Address/Location: _____

b. Zoning or Permitted Use: _____

5. General description of property and use:

Present Use

Acres

_____	_____
_____	_____
_____	_____

This petition must be filed with the County Board of Equalization on or before July 1 of the year of the assessment or determination, or within 30 days (or up to 60 days if the county legislative authority has adopted it) after the date an assessment, value change notice, or other notice has been mailed, whichever is later.

REV 64 0077 (02/13)

WASHINGTON STATE DEPARTMENT OF REVENUE 11

11

Designated Forestland (DFL)

Chapter 84.33 RCW

APPEALING THE ASSESSED VALUE

Form REV 64 0077 **Petition to BOE for Review of Current Use or Designated Forestland Determination**

- “Change the current use of forest land valuation of the following described property...”
- #7 Asks for the assessor’s determination of forest land value and the taxpayer’s estimate of forest land value.

6. Reasons why assessor’s valuation of property is being challenged, why classification/designation should be continued, or why application for classification/designation should not be denied.

7. If you are appealing the assessor’s determination of current use/designated forest land assessed value, complete the following:

(a) Assessor’s determination of current use/designated forest land value:	(b) Your estimate of current use/designated forest land value:
Land.....\$	Land.....\$
Improvements/Bldgs.....\$	Improvements/Bldgs.....\$
Crops/Minerals.....\$	Crops/Minerals.....\$
TOTAL.....\$	TOTAL.....\$

8. **Land And Crop Information (Farm and agricultural land only)**
Attach copies of signed leases of comparable properties to support your opinion of rental values:
(WAC 458-30-260 – Valuation procedures – Says in part “only leases of land that is available for rent for a period of at least three years ... may be used.”)

PDF WAC 458-40-540

Forest land values—2025.

The forest land values, per acre, for each grade of forest land for 2025 assessment year are determined to be as follows:

LAND GRADE	OPERABILITY CLASS	2025 VALUES PER ACRE
1	1	\$226
	2	224
	3	210
	4	153
2	1	193
	2	186
	3	179
	4	127



WASHINGTON STATE DEPARTMENT OF REVENUE 12

12

Current Use Open Space

Chapter 84.34 RCW

The Open Space Taxation Act (1970)

*... it is in the best interest of the state to **maintain, preserve, conserve and otherwise continue in existence adequate open space lands** for the production of food, fiber and forest crops, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the state ...*

RCW 84.40.030(1) All property must be valued at one hundred percent of its true and fair value in money and assessed on the same basis **unless specifically provided otherwise by law.**

The Open Space Taxation Act gives assessors the authority to tax these lands based on their current use rather than their highest and best use.

RCW 84.34.020 Three Classifications of Current Use Open Space Land:

(1) OPEN SPACE



(2) FARM & AGRICULTURAL



(3) TIMBER



WASHINGTON STATE DEPARTMENT OF REVENUE 13

13

Current Use Open Space

Chapter 84.34 RCW

BOE Jurisdiction for Current Use Open Space

- **Denial** of OS Farm & Agriculture applications
- **Removal** of Classification for all three classifications
- Current Use/ Assessed value
- Market value

Applications for OS Open Space and OS Timber are submitted to the County Legislative Authority, and denials must be heard in Superior Court.

RCW 84.34.020 Three Classifications of Current Use Open Space Land:

(1) OPEN SPACE



(2) FARM & AGRICULTURAL



(3) TIMBER



WASHINGTON STATE DEPARTMENT OF REVENUE 14

14

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **TIMBER**

Defined in RCW 84.34.020(3)

- Must be used primarily for the growth and harvest of timber **for commercial purposes**
- Must be 5.00 acres or more
- Must be managed with intent to grow and harvest commercially
- NO homesite allowance
- Incidental use limited to 10%

Assessor maintains a dual tax roll, reflecting both the current use value and the market value.

** Some counties do not have Open Space Timber Land. In 2014, SB 6180 gave counties the option to merge OSTL with Designated Forestland.*

"Open Space Timber"



- Applications approved or denied by the **County Legislative Authority (CLA)** in a public hearing.
- There will be a signed **Open Space Taxation Agreement** detailing the conditions of classification.

WASHINGTON STATE DEPARTMENT OF REVENUE 15

15

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **TIMBER**

Valuation of Open Space Timber land

LAND GRADE (1 to 8) – based on types of trees that can grow on the land and the site index

SITE INDEX – the productivity quality of the land

OPERABILITY CLASS – soil types and geographic features, i.e. slope

Land is valued by comparing the parcel boundaries to the timber grading map maintained by the Department of Natural Resources (DNR) and determining the approximate acreage that exists in each of the underlying timber grades.

PDF WAC 458-40-540

Forest land values—2025.

The forest land values, per acre, for each grade of forest land for 2025 assessment year are determined to be as follows:

LAND GRADE	OPERABILITY CLASS	2025 VALUES PER ACRE
1	1	\$226
	2	224
	3	210
	4	153
2	1	193
	2	186
	3	179
	4	127
3	1	149
	2	145
	3	143
	4	111
4	1	117
	2	112
	3	111
	4	84
5	1	84
	2	74
	3	73
	4	52
6	1	43
	2	41
	3	41
	4	39
7	1	19
	2	19
	3	17
	4	17
8	1	1
	2	1
	3	1
	4	1



WASHINGTON STATE DEPARTMENT OF REVENUE 16

16

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **TIMBER**

CU/OS TIMBER APPEALS

Form REV 64 0077 **Petition to BOE for Review of Current Use or Designated Forestland Determination**

- “Change the current use valuation...” AND/OR
- “Reverse the assessor’s decision to remove classification/ designation...”

6. Reasons why assessor’s valuation of property is being challenged, why classification designation should be continued, or why application for classification designation should not be denied.

7. If you are appealing the assessor’s determination of current use/designated forest land assessed value, complete the following:

(a) Assessor’s determination of current use/designated forest land value:	(b) Your estimate of current use/designated forest land value:
Land.....\$	Land.....\$
Improvements Bldgs.....\$	Improvements Bldgs.....\$
Crops/Minerals.....\$	Crops/Minerals.....\$
TOTAL.....\$	TOTAL.....\$

* Land and Farm Information (Form and non-cultivated land only)

Taxpayer Petition to the County Board of Equalization for Review of Current Use or Designated Forest Land Determination

Office Use Only
Petition No. _____
Date Received _____

Tax Parcel No. _____
<input type="checkbox"/> I request the information used by the assessor in valuing my property.
Assessor’s “Change of Value Notice” or other determination notice was dated _____

If appealing the true and fair (market) value for land classified under chapter 84.34 RCW (Current Use) or chapter 84.33 RCW (Designated Forest Land), do not complete this form. Instead, complete form REV 64 0075, *Taxpayer Petition to the County Board of Equalization for Review of Real Property Valuation Determination*. The undersigned certifies that I am a resident of Washington.

☒ Change the current use or forest land valuation of the following described property as shown on the assessment rolls for the year _____ to the amount shown in Item 7.

☒ Reverse the assessor’s decision to remove classification designation from the following described land. The statement supporting continued classification designation is shown in Item 6.

☐ Reverse the denial of application for current use farm and agricultural land classification. I have attached a copy of the application form, REV 64 0024 or REV 64 0108.

☐ Reverse the denial of application for designated forest land. I have attached a copy of the application form, REV 62 0021 or REV 62 0110.

All Items Must Be Completed (Please print)

1. Account Parcel Number: Enter this number in the space provided at the top right-hand corner of this petition. Your account or parcel number appears on both your determination notice and your tax statement. If you are appealing multiple parcels, you must submit separate petitions for each parcel.

2. Owner: _____

Mailing address for all correspondence relating to appeal:

Street Address: _____

City, State, Zip Code: _____

Daytime Phone No: _____ Fax No: _____

Name of Petitioner or Authorized Agent: _____

3. Present classification/designation of the property which is the subject of this petition is: (check one)

☐ Farm and agricultural land ☐ Open space ☐ Timber land ☐ Designated forest land

4. General description of property:

a. Address/Location: _____

b. Zoning or Permitted Use: _____

5. General description of property and use:

Present Use	Acres
_____	_____
_____	_____
_____	_____

This petition must be filed with the County Board of Equalization on or before July 1 of the year of the assessment or determination, or within 30 days (or up to 60 days if the county legislative authority has adopted it) after the date an assessment, value change notice, or other notice has been mailed, whichever is later.

REV 64 0077 (02/13)

WASHINGTON STATE DEPARTMENT OF REVENUE 17

17

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **OPEN SPACE**

Defined in RCW 84.34.020(1)

- (a) Land zoned for open space in an official comprehensive land use plan;
- (b) Land that **meets specific classification objectives** by preserving its present use; AND
- (c) Land meeting definition of “**Farm & Ag Conservation Land**”
 - Previously classified as Farm/Ag land under 84.34 but no longer meets the criteria to remain so classified OR
 - Traditional farmland that has a high potential for returning to commercial agricultural use

- Applications are approved or denied by the **County Legislative Authority (CLA)** in a public hearing.
- There will be a signed **Open Space Taxation Agreement** detailing the conditions of classification.

“Open Space Open Space”



Classification objectives include:

- Conserve and enhance natural or scenic resources
- Protect streams or water supply
- Promote conservation of soils, wetlands, beaches or tidal marshes
- Enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space
- Enhance recreation opportunities
- Preserve historic sites
- Preserve visual quality along highway, road, and street corridors or scenic vistas
- Retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use

WASHINGTON STATE DEPARTMENT OF REVENUE 18

18

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **OPEN SPACE**

Valuation of Open Space land

WAC 458-30-267 (1):

(a) In valuing land classified as open space, the assessor shall consider only the way in which the land and improvements are currently used; the assessor shall not consider potential uses of the land.

(b) The assessed value of open space land shall not be less than the minimum value per acre of classified farm and agricultural land in the county.

An alternative method of valuing open space land is using a **Public Benefit Rating System (PBRs)**.

"Open Space Open Space"



Sample

Public Benefit Rating	% Reduction from Market Value
1-4 points	15%
5-10 points	30%
11-15 points	40%
16-20 points	60%
21-34 points	75%
> 35 points	90%

WASHINGTON STATE DEPARTMENT OF REVENUE 19

19

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **OPEN SPACE**

CU/OS OPEN SPACE APPEALS

Form REV 64 0077 **Petition to BOE for Review of Current Use or Designated Forestland Determination**

- "Change the current use valuation..." AND/OR
- "Reverse the assessor's decision to remove classification/designation..."

6. Reasons why assessor's valuation of property is being challenged, why classification/designation should be continued, or why application for classification/designation should not be denied.

7. If you are appealing the assessor's determination of current use/designated forest land assessed value, complete the following:

(a) Assessor's determination of current use/designated forest land value:	(b) Your estimate of current use/designated forest land value:
Land.....\$	Land.....\$
Improvements/Bldgs.....\$	Improvements/Bldgs.....\$
Crops/Minerals.....\$	Crops/Minerals.....\$
TOTAL.....\$	TOTAL.....\$

8. Land and Forest Information (Farm and agricultural land only)

Taxpayer Petition to the County Board of Equalization for Review of Current Use or Designated Forest Land Determination

Office Use Only	Tax Parcel No: _____
Petition No: _____	<input type="checkbox"/> I request the information used by the assessor in valuing my property: _____
Date Received: _____	Assessor's "Change of Value Notice" or other determination notice was dated: _____

If appealing the true and fair (market) value for land classified under chapter 84.34 RCW (Current Use) or chapter 84.35 RCW (Designated Forest Land), do not complete this form. Instead, complete form REV 64 0075, *Taxpayer Petition to the County Board of Equalization for Review of Real Property Valuation Determination*. The undersigned petitions the Board of Equalization to:

- ☒ Change the current use or forest land valuation of the following described property as shown on the assessment rolls for the year _____ to the amount shown in Item 7.
- ☒ Reverse the assessor's decision to remove classification/designation from the following described land. The statement supporting continued classification/designation is shown in Item 6.
- ☐ Reverse the denial of application for current use farm and agricultural land classification. I have attached a copy of the application form, REV 64 0024 or REV 64 0108.
- ☐ Reverse the denial of application for designated forest land. I have attached a copy of the application form, REV 62 0021 or REV 62 0110.

All Items Must Be Completed (Please print)

1. Account Parcel Number: Enter this number in the space provided at the top right-hand corner of this petition. Your account or parcel number appears on both your determination notice and your tax statement. If you are appealing multiple parcels, you must submit separate petitions for each parcel.

2. Owner: _____
Mailing address for all correspondence relating to appeal:
Street Address: _____
City, State, Zip Code: _____
Daytime Phone No: _____ Fax No: _____
Name of Petitioner or Authorized Agent: _____

3. Present classification designation of the property which is the subject of this petition is: (check one):
☐ Farm and agricultural land ☐ Open space ☐ Timber land ☐ Designated forest land

4. General description of property:
a. Address/Location: _____
b. Zoning or Permitted Use: _____

5. General description of property and use:

Present Use	Acres
_____	_____
_____	_____
_____	_____

This petition must be filed with the County Board of Equalization on or before July 1 of the year of the assessment or determination, or within 30 days (or up to 60 days if the county legislative authority has adopted it) after the date an assessment, value change notice, or other notice has been mailed, whichever is later.

REV 64 0077 (03/19)

WASHINGTON STATE DEPARTMENT OF REVENUE 20

20

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: FARM & AGRICULTURAL

Defined in RCW 84.34.020(2)

20 acres or more, must be:

- Devoted primarily to the production of livestock or agricultural commodities for commercial purposes, OR
- Enrolled in federal CRP/CREP or its successor, OR
- Other commercial agricultural activities established under WAC 458-30.

5 acres or more but less than 20 acres:

- Devoted primarily to the production of livestock or agricultural commodities for commercial purposes, AND
- Meet annual income requirements or provide demonstrable investment for standing crops with longer harvest cycle

Less than 5 acres:

- Devoted primarily to the production of livestock or agricultural commodities for commercial purposes, AND
- Meet annual income requirements

"Open Space Farm & Ag"



"Commercial Agricultural Purposes"

WAC 458-30-200(2)(n) "Commercial agricultural purposes" means the use of farm and agricultural land on a **continuous and regular basis**, prior to and subsequent to application for classification or reclassification, that demonstrates that the owner or lessee is engaged in and intends to obtain through lawful means, **a monetary profit from cash income by producing an agricultural product.**

WASHINGTON STATE DEPARTMENT OF REVENUE 21

21

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: FARM & AGRICULTURAL

Appurtenances & Incidental Use

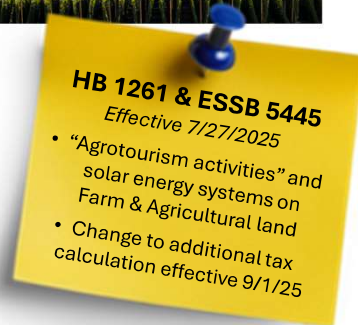
"Incidental use" WAC 458-30-200(2)(bb)

- Secondary to the primary use
- Compatible with commercial agricultural purposes
- No more than 20% of the total classified land.
- May include, but is not limited to, a gravel pit, a farm woodlot, or a produce stand.

"Appurtenance" WAC 458-30-200(2)(h)

- Integral to the agricultural use of the land;
- Something used with, and related to or dependent upon another thing, an adjunct;
- Necessary and essential to the proper use and enjoyment of the land;
- Useful or necessary for carrying out the purposes for which the land was classified under chapter 84.34 RCW;
- Examples include barns and silos, tool sheds, maintenance garages, shipping facilities, etc.

"Open Space Farm & Ag"



WASHINGTON STATE DEPARTMENT OF REVENUE 22

22

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **FARM & AGRICULTURAL**

Income Requirements

Less than 5.00 acres

After 1993: \$1,500 per year for 3 of 5 years

Before 1993: \$1,000 per year for 3 of 5 years

Proof of income required upon application

5.00 – 19.99 acres

After 1993: \$200/acre per year for 3 of 5 years

Before 1993: \$100/acre per year for 3 of 5 years

Proof of income required upon application

20.00 acres or more

No minimum income per acre or per year

Does not require farming in advance to being in the program

May include a homesite for farm owner/operator



RCW 84.34.020(6)(a) “Contiguous” means land adjoining and touching other property held by the same ownership. Land divided by a public road, but otherwise an integral part of a farming operation ins considered contiguous.

WASHINGTON STATE DEPARTMENT OF REVENUE 23

23

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: **FARM & AGRICULTURAL**

Income Requirements

RCW 84.34.020(6)

(a) “Contiguous” means land adjoining and touching other property held by the same ownership. Land divided by a public road, but otherwise an integral part of a farming operation ins considered contiguous.

(b) “Same Ownership”

- Managed as part of a single operation
- Owned by
 - Members of the same family
 - Legal entities owned by members of the same family
 - An individual and a legal entity wholly owned by a member or members of the same family

“Family” includes spouses, domestic partners, children, stepchildren, adopted children, grandchildren, parents, stepparents, grandparents, cousins, or siblings.



Form

Certificate of Contiguous Parcels with Different Ownerships RCW 84.33 and 84.34

Complete this form only if you are the owner of a classified or designated parcel and would like your parcel to be considered contiguous, as defined in RCW 84.34.020(6) and RCW 84.33.035(4), with other classified or designated parcels having different ownerships. Parcels with different ownerships are considered contiguous if they are adjoining, managed as part of a single operation, and meet the definition of “family” as described in RCW 84.34.020(6)(b)(i).

We are requesting the following parcels be considered contiguous for the purposes of classification or designation under Chapters 84.34 or 84.33 RCW. Attach additional certification forms, if necessary.

Owner name and parcel number _____
 Owner name and parcel number _____
 Owner name and parcel number _____
 Owner name and parcel number _____

Describe how all parcels subject to this document are being managed as part of a single operation. Assessor may request additional information to verify all parcels considered contiguous, for the purposes of this classification or designation, are being managed as part of a single operation. Additional information may include, but is not limited to, federal income tax returns and schedules, articles of incorporation, partnership agreements, rental or lease agreements, and operating agreements.

Describe the familial relationships between all owners of parcels subject to this document. Parcel owners must meet the definition of family, as defined in RCW 84.34.020(6)(b)(i), with at least one owner of an adjoining parcel. Assessor may request additional information to verify parcel owners meet the definition of family. Additional information may include, but is not limited to, birth certificates, marriage certificates, state registered domestic partner agreements, and adoption documents.

To ask about the availability of this publication in an alternate format for the visually impaired, please call 360-725-6705. TeleType (TTY) users may use the WA Relay Service by calling 711.
 REV 64-0110 (03/10/2020) Page 1

WASHINGTON STATE DEPARTMENT OF REVENUE 24

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Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: FARM & AGRICULTURAL

Valuation of Farm & Agricultural land

Assessor maintains dual tax roll

- Market value determined as usual
- Current use value determined based on the earning capacity of the land using an income approach

RCW 84.34.065 and WAC 458-30-260

Determining the **Earning** or **Productive Capacity** of the land

1. Net cash rental based on leases
 - Cash leases
 - Crop share leases
2. Cash value of crops typically grown on the land
3. Reasonable amount based on the land's estimated productivity

Farm Ag Advisory committee – RCW 84.34.145

"Open Space Farm & Ag"



EXAMPLE of current use value calculation

1. Determine gross income per acre
2. Subtract expenses per acre
3. Equals net income per acre
4. **Net Income per Acre ÷ Capitalization Rate = Current Use Value per Acre**

WASHINGTON STATE DEPARTMENT OF REVENUE 25

25

Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: FARM & AGRICULTURAL

Valuation of Farm & Agricultural land

Capitalization Rate: Sum of two components

- Interest rate AND
- Property tax component

INTEREST RATE - Statewide

- 5-year average of interest rates charged on mortgages by financial institutions making loans secured by farm & agriculture lands
- Department publishes annually by Jan 1
- Owner of Farm/Ag land or an assessor may appeal the Department's rate to the BTA within 30 days of publication

PROPERTY TAX COMPONENT – County specific

- Determined by dividing total taxes levied in the county by the total assessed value in the county, then multiplying by 100

$$\text{Net Income per Acre} \div \text{Capitalization Rate} = \text{Current Use Value per Acre}$$



WACs > Title 458 >
Chapter 458-30 >
Section 458-30-262

HTML has links - PDF has Authentication

458-30-260 << 458-30-262 >> 458-30-265

Agency filings affect

PDF WAC 458-30-262

Agricultural land valuation—Interest rate—Property tax component.

For assessment year 2025, the interest rate and the property tax component that value classified farm and agricultural lands are as follows:

(1) The interest rate is 6.58 percent; and

(2) The property tax component for each county is:

COUNTY	PERCENT	COUNTY	PERCENT
Adams	1.06	Lewis	0.71
Asotin	1.08	Lincoln	0.96
Benton	0.88	Mason	0.78
Chelan	0.76	Okanogan	0.85
Clallam	0.79	Pacific	0.70
Clark	0.89	Pend	0.84
		Orellie	
Columbia	1.09	Pierce	1.01
Cowlitz	0.84	San Juan	0.54
Douglas	0.82	Skagit	0.86
Ferry	0.87	Skamania	0.85
Franklin	0.78	Snohomish	0.83
Garfield	1.09	Spokane	0.93
Grant	0.96	Stevens	0.76
Grays Harbor	0.85	Thurston	0.97
Island	0.73	Wahkiakum	0.58
Jefferson	0.83	Walla Walla	0.95
King	0.92	Whatcom	0.76
Kitsap	0.83	Whitman	1.34
Kittitas	0.69	Yakima	0.87
Klickitat	0.86		

WASHINGTON STATE DEPARTMENT OF REVENUE 26

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Current Use Open Space

Chapter 84.34 RCW

CLASSIFICATION: OPEN SPACE

CU/OS FARM & AGRICULTURE APPEALS

Form REV 64 0077 **Petition to BOE for Review of Current Use or Designated Forestland Determination**

- "Change the current use valuation..." AND/OR
- "Reverse the assessor's decision to remove classification/designation..." AND/OR
- "Reverse the denial of application..."

6. Reasons why assessor's valuation of property is being challenged, why classification/designation should be continued, or why application for classification/designation should not be denied.

7. If you are appealing the assessor's determination of current use/designated forest land assessed value, complete the following:

(a) Assessor's determination of current use/designated forest land value:	(b) Your estimate of current use/designated forest land value:
Land.....\$	Land.....\$
Improvements/Bldgs.....\$	Improvements/Bldgs.....\$
Crops/Minerals.....\$	Crops/Minerals.....\$
TOTAL.....\$	TOTAL.....\$

8. Total and Gross Information (Form used on agricultural land only)

Taxpayer Petition to the County Board of Equalization for Review of Current Use or Designated Forest Land Determination

Office Use Only
Petition No: _____
Date Received: _____

Tax Parcel No: _____
☐ I request the information used by the assessor in valuing my property.
Assessor's "Change of Value Notice" or other determination notice was dated: _____

If appealing the true and fair (market) value for land classified under chapter 84.34 RCW (Current Use) or chapter 84.33 RCW (Designated Forest Land), do not complete this form. Instead, complete form REV 64 0075, *Taxpayer Petition to the County Board of Equalization for Review of Real Property Valuation Determination*. The undersigned certifies that the Board of Equalization, Inc. is the assessor.

☒ Change the current use or forest land valuation of the following described property as shown on the assessment rolls for the year _____ to the amount shown in Item 7.

☒ Reverse the assessor's decision to remove classification/designation from the following described land. The statement supporting continued classification/designation is shown in Item 6.

☒ Reverse the denial of application for current use farm and agricultural land classification. I have attached a copy of the application form, REV 64 0024 or REV 64 0106.

☐ Reverse the denial of application for designated forest land. I have attached a copy of the application form, REV 62 0021 or REV 62 0110.

All Items Must Be Completed (Please print)

1. Account Parcel Number: Enter this number in the space provided at the top right-hand corner of this petition. Your account or parcel number appears on both your determination notice and your tax statement. If you are appealing multiple parcels, you must submit separate petitions for each parcel.

2. Owner: _____
Mailing address for all correspondence relating to appeal:
Street Address: _____
City, State, Zip Code: _____
Daytime Phone No: _____ Fax No: _____
Name of Petitioner or Authorized Agent: _____

3. Present classification/designation of the property which is the subject of this petition is: (check one):
☐ Farm and agricultural land ☐ Open space ☐ Timber land ☐ Designated forest land

4. General description of property:
a. Address/Location: _____
b. Zoning or Permitted Use: _____

5. General description of property and use:
Present Use: _____ Acres: _____

This petition must be filed with the County Board of Equalization on or before July 1 of the year of the assessment or determination, or within 30 days (or up to 60 days if the county legislative authority has adopted it) after the date an assessment, value change notice, or other notice has been mailed, whichever is later.

REV 64 0077 (02/21/19)

WASHINGTON STATE DEPARTMENT OF REVENUE 27

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Current Use Open Space

Chapter 84.34 RCW

Removal of Open Space Classification

BASED ON ASSESSOR DETERMINATION

- Owner must be given written notice using form **REV 64 0071 Notice of Intent to Remove Current Use Assessment**
- Owner must have an **opportunity to respond** before removal is completed.

ALL OPEN SPACE REMOVALS

- Notice of Removal prepared on **REV 62 0023 Notice of Removal of Current Use Classification and Additional Tax Calculation**

RCW 84.34.108(3) Within thirty days after the removal ...the assessor must notify the owner in writing, setting forth the reasons for the removal. The seller, transferor, or owner **may appeal the removal** to the county board of equalization in accordance with the provisions of RCW 84.40.038.

County Assessor

Notice of Removal of Current Use Classification and Additional Tax Calculations Chapter 84.34 RCW

Grantor or County: _____
Grantee or Property Owner: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Legal Description: _____
Assessor's Parcel Account Number: _____
Reference Numbers of Documents Assigned or Released: _____

You are hereby notified that the current use classification for the above described property which has been classified as:
☐ Open Space Land ☐ Timber Land ☐ Farm and Agricultural Land

is being removed for the following reason:
☐ Owner's request ☐ Change in use/no longer qualifies
☐ Sale/transfer to government entity ☐ Notice of continuance not signed
☐ Classified in error ☐ Other (specify reason): _____

Is removal subject to additional tax, interest, and penalty? ☐ Yes ☐ No
If yes, go to page two and complete the rest of form. If no, complete questions 1-4 below.

1. Date of removal: _____

2. Calculate amount due in \$6 (recording fee) and \$100 (calculation of tax for remainder of current year).

3. Reason for exception (see page 4 for exceptions): _____

4. Provide a brief explanation on why removal meets the exception listed in #3. _____

County Assessor or Designated: _____
To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may use the WA Relay Service by calling 711.

64 0023 (June 1980) (See next page for current use assessment additional tax statement.)
To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.
REV 64 0071 (12/21/12)

WASHINGTON STATE DEPARTMENT OF REVENUE 28

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Reconvened Boards are limited to 3 years after the last day of their **regular convened session** (RCW 84.08.060 & WAC 458-14-127).

- Except in the case of omitted property or value.

****While a petition might be helpful to the board & assessor, none is required.****

Checklist for complete requests:

- Code 1:
 - Has the taxpayer provided an affidavit? Did the taxpayer show the value changed from the prior year?
- Code 2:
 - Has the assessor provided an affidavit? May not be processed if the assessor is not requesting.
- Code 3:
 - Did the property sell/transfer after July 1 for less than 90% of the assessed value? Was it an arm's-length transaction?
- Timeliness:
 - Was the request filed by April 30 of the year following the assessment year?

If the Board determines the request does not meet **all** the requirements, they must:

- Issue a written denial to the taxpayer and assessor,

- Inform the taxpayer of appeal rights.

Denials of reconvening requests may be appealed to the State Board of Tax Appeals.

- The appeal must be filed within 30 days from the date of mailing.

Authority

The Department

..may require any board to reconvene at *any time* for the purpose of performing or completing *any duty or taking any action* the board might lawfully have performed or taken at any of its previous meetings, or for *any other purpose* allowed by law.

Boards of Equalization

...may reconvene on their own authority to hear requests concerning the *current assessment year*.

General Requirements and Limits

- All requests must:
 - Specify the **assessment year(s)**.
 - State the **specific grounds** for the request.
 - Taxpayers must confirm:
 - They are the **owner, a duly authorized agent, personal representative, guardian, or a lessee responsible** for paying property taxes.
- Reserved for:
 - Situations where an error has occurred.
 - Circumstances where regular appeal procedures do not apply.

Code 1

Taxpayer initiated Request (due by April 30th)

- Taxpayer must submit a sworn affidavit stating:
 - They did not receive notice of a change in value.
 - If notice was received, must have been received fewer than 15 calendar days before the petition deadline.
- Taxpayer must provide evidence that the property's value was changed.
 - Could be the roll history online or the prior and current value on the NOV.

Note: Timely notification is essential to allow fair opportunity for appeal.

Taxpayer Request: A taxpayer submits an affidavit stating that they did not receive notice of a change in value at least fifteen calendar days before the deadline for filing a petition and can show proof that the value was actually changed.

Due April 30th of the year following the AY requested.

Code 2

Assessor initiated request (due by April 30th)

- Assessor must submit a sworn affidavit.
- Must state they were unaware of discoverable facts at the time of appraisal.
- Must show that the lack of knowledge materially affected the property valuation.
- The request must be filed by April 30 of the tax year immediately following the board's regular convened session for the requested assessment year.

Note: Ensures assessed values reflect accurate, available information.

Assessor's Request: An assessor submits an affidavit stating that they were unaware of facts that were discoverable at the time of appraisal and that such lack of facts caused the valuation of property to be materially affected.

Code 3

Taxpayer initiated request (due by April 30th)

- Taxpayer or purchaser acquires property after July 1 and before December 31 of the assessment year being requested.
- The transaction must be at arm's length (fair market conditions).
 - Taxpayer must demonstrate this with the request.
- The sale price is less than 90% of the assessed value.
 - Must provide evidence of the original assessed value and the sale price.
- Note: This allows an appeal when assessed values significantly exceed actual sale prices under market conditions.

Arm's Length Transaction: A bona fide purchaser or contract buyer acquires an interest in real property after July 1 and on or before December 31 of the assessment year, and the sale price was less than ninety percent of the assessed value.

Code 4

Omitted Property or value (due within 30 days of notice)

- Assessor or Taxpayer may request a reconvene for property or value omitted from the assessment roll.
- Applies when: Omitted property or value is added to the assessment roll.
- Requests cannot be accepted for assessment years more than **three years prior** to the year the omission was discovered.
- Generally identified through physical inspection (e.g., home addition not previously assessed).
 - Omitted value may be added to the current year and up to three prior years.

For example, the current assessment year would be 2025 and the three prior years would be for the 2024, 2023, and 2022 assessment years.

- The assessor must send the taxpayer a NOV for all assessment years in which the value was added to the roll.
- The taxpayer can appeal any or all of these assessment years to the BOE within 30/60 days of the NOV date.

Code 5

Intervening year request (due within 30 of BOE order on prior year)

- The Assessor or taxpayer may request the BOE reconvene if all of the following apply:
- Real property is revalued annually.
- A timely appeal was filed for a prior year (e.g., 2021).
- No appeal was filed for the intervening year (e.g., 2022), and the assessed value did not change.
- The reconvene request is filed within 30 days of the BOE's decision for the earlier appeal.

Example

- Taxpayer appealed their 2023 value. In 2024, the value didn't change, so they didn't appeal. Once they receive the 2023 BOE decision, they realize they want to appeal 2024.

Code 6 (limited to 3 years)

Equalization outside the regular convened session or for prior year appeals

- Requests may come from the Board or the Assessor and must be submitted to the clerk.
- Processed the same as local requests.
 - Include valuation information or other documentation supporting equalization request.
 - Identify all impacted parcels and assessment years.
- If granted, Board does not hold a hearing and independently determines if values should be adjusted through equalization and issues orders for any impacted parcels.
- Denials may be appealed to the BTA.

WASHINGTON STATE DEPARTMENT OF REVENUE 68

Requests for reconvening may come from either the Board of Equalization or the Assessor and must be submitted to the board clerk.

The clerk processes Department of Revenue (DOR) reconvene requests the same as local requests by:

- Verifying the request is complete. If no evidence is included, the clerk should contact the taxpayer to see if evidence will be submitted before sending it to DOR.
- Once the request is complete:
 - Assigning a request number
 - Forwarding a copy to the Assessor's office
 - Sending the request and any Assessor response to the Department of Revenue

The DOR will issue a decision to approve or deny the request.

If approved, the board is directed to hold a hearing for the specified assessment year(s).

If denied, the taxpayer or Assessor may appeal the decision directly to the Board of Tax Appeals (BTA).

The clerk will process DOR reconvene requests the same as local requests:

1. Verify the request is complete (**if no evidence is included, reach out to see if the taxpayer intends to submit any BEFORE sending it to DOR**)

2. Once a completed request is received:
 - Assign a number to the request
 - Forward a copy to the assessor's office
 - Forward the request and assessor's response (if any to the Department of Revenue)

DOR will issue a decision indicating whether the request is approved or denied.

- If approved, the board is directed to hold a hearing for the assessment year(s) specified.
- If denied, the parties may appeal directly to the BTA (taxpayer or Assessor).

Code 7 (limited to 3 years)

Prima facie case of 100% overvaluation or fraud

The Department's preferred criteria for determining overvaluation are:

- Market value determinations from orders of the BOE, or the State Board of Tax Appeals (BTA);
- Signed stipulations between taxpayers and assessors;
- Market-based evidence of market value, i.e., an arms length transaction with a market value appraisal of the subject property.

Clerks should verify all supporting documentation is provided at the time of request.

- This is not a valuation appeal but does require evidence of valuation to support the overvaluation claim.

Waiver

A formal statement in

Good Cause Waiver of Filing Deadline

A petition filed after the regular deadline to the Board is unable to be accepted unless the taxpayer can demonstrate **good cause** for the late filing.

If a petition is submitted late without any initial explanation, the board is required to dismiss it. However, the taxpayer must be notified that their petition will be dismissed due to untimeliness, and that they may still be granted an opportunity to **promptly provide documentation** showing good cause for the delay.

Procedural fairness is a cornerstone of the property tax appeal system, and strict adherence to filing deadlines plays a critical role in ensuring that fairness. Every taxpayer is given the same opportunity and timeline to appeal their property valuation, and the majority comply with these deadlines. Allowing late petitions without clear, narrowly defined standards would undermine that fairness and could be perceived as granting preferential treatment.

Key Information

Objective:

- Allows Boards to accept late-filed petitions under specific defined circumstances.

Scope is Limited:

- The Board may not expand the reasons for late filing beyond those outlined in statute and WAC.

Discretionary:

- All good cause waiver reasons are optional for the BOE to grant — except one:
 - If no Change of Value Notice was sent and no change in value occurred, the Board must grant the waiver and accept the petition if filed within a “reasonable” time.

The Board’s decision:

- Is made without a public hearing.
- Must be communicated to the taxpayer in writing.
- Cannot be appealed to the State Board of Tax Appeals.

Documentation Required:

- The taxpayer must provide supporting evidence of the claimed good cause for a late filed petition.

The petition filing deadline exists to protect the integrity of the process and to provide certainty to the assessment and budgeting timelines that affect all taxing districts. It ensures that the appeal process is orderly, timely, and equitable for everyone — not just those who file late.

That’s why the law only permits late petitions in specific, limited circumstances that qualify as “good cause,” and why the Board may not expand these exceptions. Granting a waiver outside of what is legally allowed could be unfair to taxpayers who took the time and effort to meet the deadline, even in challenging situations.

By upholding the filing deadline and evaluating late requests solely within the bounds of law, the Board reinforces trust in the system and ensures that all taxpayers are treated equitably under the same rules.

Evaluation of Requests

What is required:

- **Timeliness:** Petition must be filed within a “reasonable” time after the original deadline.
 - Waiver request deadline is set by policy, i.e. opportunity to perfect an untimely appeal.
 - Two weeks to a month are recommended.
- **Documentation or evidence** supporting the claimed good cause should be provided prior to granting requests.
- **Board's Decision:** Made without a hearing, majority vote of members; taxpayer is notified in writing.
 - Provide denial reasons when possible.
- **Finality:** Board's decision is final and not appealable.
 - Denial of a waiver result in dismissal of the untimely petition.
 - All petition denials are appealable to the BTA.

Waiver Reasons

WAC 458-14-056(3)

1

Death or Serious Illness

- Taxpayer or immediate family member experiences death or serious illness near the filing deadline.
- **Documentation:** Provides medical records or death certificate.

2

Absence from Residence

- Taxpayer is absent from home for over 15 days before the filing deadline, and the notice was not received or forwarded by an agent.
- **Documentation:** Proof of absence and agent's failure to forward notice.

3

Incorrect Advice

- Taxpayer relied on incorrect or misleading written advice from board staff, assessor, or the *property tax advisor.
- **Documentation:** Provide copies of the incorrect information related to appeal filing or deadlines.

Waiver Reasons

WAC 458-14-056(3)

4

Natural Disaster

- Natural disaster (e.g., flood, earthquake) occurs near the filing deadline AND impacts the owner's ability to file.
- **Documentation:** News reports or official declarations of the disaster.

5

Postal Delay or Loss

- Delay or loss in postal delivery of the petition (not the Notice of Value).
- **Documentation:** Postal service documentation confirming delay or loss.

6

Business Representative Unavailability

- Business's responsible person is unavailable due to illness or unavoidable absence.
- **Documentation:** Medical records or proof of absence.

The Only Mandatory Waiver!

No Change in Property Value

- No change in property value from the previous year, and no change of value notice was sent.
- **Documentation:** Assessment records and notice history either from the Assessor or county records.

It is important to know this *does not apply* in counties that send a Notice of Value to all taxpayers regardless of value change.

Equalization

Boards examine and compare assessments to see if comparable properties are comparably valued without an appeal.



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Who and When

Prior to July 15th, the CLA must form a board for the equalization of the assessment of the property of the county.

Boards must meet in open session on July 15th or within 14 days of certification of the county assessment rolls; whichever is LATER.

- Remain in session for 28 days

The assessor must certify the assessment roll to the board before the board can issue any valuation determinations for that assessment year.



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Member Qualifications and Requirements: WAC 458-14-035:

- Members cannot be a holder of any elected office, but they can accept an appointed position to another board
- Must reside within the county (snowbirds must be a residents of the state)
- Board members must attend training within one year of their appointment or reappointment
 - Training may be waived by DOR for one year (Waivers are RARE – covid was an exception)
- Persons who have been employed in the assessor's office shall not sit on that county's board for a period of two years after leaving their employment.
- Serve a 3-year term or until successor is appointed

Clerks are responsible for tracking the expiration of a member's appointment and their training.

Regular Convened Session: RCW 84.48.010 & WAC 458-14-046:

- The Department tracks this to ensure the board is meeting and adjourning timely.
- Must meet at least 3 times during the 28-day session.
- If the Board needs to extend session, they must request the CLA permit them to convene after the normal 28-day session to hear timely filed petitions.

(Notice of Approval to Hear Property Tax Appeals form (REV 64 0049))

What can you do during the meetings?

- Swear in board members
- Review the assessment roll
- Hold hearings
- Meet with assessor for generic discussion
- Authorize members or the clerk to sign orders
- Review BTA orders

Comparing Assessed Values

Equalization Duties

The Board reviews and compares property assessments in the county to ensure all property is assessed at its **true and fair value**, based on the *valuation method* used by the county assessor that year (presumed correct under RCW 84.40.0301). The board must take the following actions:

1. **Increase undervalued real property:**
 - Raise the value of any tract, lot, or item of real property assessed below its true and fair value.
 - Must give the owner or their agent at least **five days' written notice** before making the change.
2. **Decrease overvalued real property:**
 - Lower the value of any real property assessed above its true and fair value.
3. **Increase undervalued personal property:**
 - Raise the value of any class of personal property or total personal property of an individual assessed below its true and fair value.
 - Requires at least **five days' written notice** to the owner or agent.
4. **Decrease overvalued personal property:**
 - Reduce the value of any class of personal property or an individual's total personal property assessed above its true and fair value.

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Equalization may be triggered when...

- A pattern of appeals indicate there may be inequality within a group or class of properties.
- An individual or group of taxpayers call or write about their assessed value as compared to similar properties.
- The assessor may propose equalization to the board.
- Any discrepancies or potential errors on the assessment roll (appeals of other properties may point to potential discrepancies).
- The Board may investigate to determine if there are legitimate reasons for value differences between appealed and similar properties.

Orders (WAC 458-14-116):

- Issued for all properties affected, clearly indicating the reasons for change in value.
- Both parties have 30 days to appeal the order to either the BOE (again) or BTA.

Board Orders

Writing Clear and Effective Decisions

Well-Reasoned Decisions

Purpose:

- To **explain the outcome** in a way that is understandable to both parties.
- To provide a **transparent and reasoned basis** for the decision.
- To ensure decisions are **legally sound, factually supported**, and **administratively defensible**.
- To reinforce the **neutrality and professionalism** of the Board.

Ask Yourself:

“Would someone unfamiliar with the case understand this?”

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Public Service Perspective

- Remember that **clarity builds public trust** in the administrative process.
- A well-written decision helps parties understand the outcome, even if they disagree with it.
- Neutrality is shown not just by what is decided, but **how it's explained**.

What Does It Look Like?

Structure and Organization

1. Introduction

- Identify the case type, parties, and issue(s).
- Brief procedural history (hearing date, representation, etc.).

2. Findings of Fact

- Clearly state the facts found credible.
- Use **numbered paragraphs** for clarity.
- Base facts on the **record**, citing evidence (e.g., exhibits, testimony).

3. Discussion/Analysis

- Apply the **relevant law** to the facts.
- Discuss conflicting evidence or interpretations.
- Address any credibility decisions.

4. Conclusions of Law

- Concisely state the legal conclusions drawn from the analysis.

5. Order

- Clearly state the result and any action ordered.
- Include effective date and appeal rights, if applicable.

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Clarity and Readability

- Use **plain language** without sacrificing accuracy.
- Avoid jargon unless necessary and define technical terms.
- Keep sentences **short and direct**.
- Use headings, bullet points, and formatting to break up complex material.

Demonstrate how the law applies to the facts in a **logical and step-by-step** manner.

- Reference statutes, regulations, or precedent as appropriate.
- Address key arguments raised by the parties, even if rejected.

Doing the Right Thing

“Justice must not only be done, but must also be seen to be done.” – Lord Hewart

Neutral Tone and Impartiality

- Write in **an objective tone**.
- Avoid emotionally charged or judgmental language.
- Acknowledge arguments fairly, even when rejecting them.

Credibility and Evidence

- Explain how credibility determinations were made (consistency, tied to evidence, etc.).
- Cite specific evidence to support findings.
- Distinguish between **findings** and **conclusions**.

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Anticipate Review or Appeals

- Assume your decision will be read.
- A well-reasoned, well-documented decision is the **best defense against further action**.
- Ensure due process was followed and procedural issues are addressed.

Sales Comparison

Value tends to be set by the cost of acquiring a substitute property

$$\begin{array}{r} \text{Sales Price} \\ + \\ \text{Adjustments} \\ - \\ \text{Adjustments} \\ = \\ \text{Property Value} \end{array}$$



303 N. 16th Street **1502 Ordway Place**

comparing two properties
These two Lockeland Springs homes sold quickly in April, earning a profit for their sellers.

ADDRESS	BEDS	BATHS	YEAR BUILT	GARAGE CAPACITY	SQ. FT.	SALE PRICE PER SQ. FT.	SALE PRICE
303 N. 16th Street	3	2.5	1920	0	3,008	\$119.65	\$359,900
1502 Ordway Place	3	2	1910	2	1,758	\$205.35	\$361,000

Source: RealTracs Solutions

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Compares the sales prices of comparable properties and adjusts them to make them like the property being appealed.

- Based on principles of Substitution & Contribution
- Generally, reflects market behavior (data comes directly from market actions of buyers and sellers)

Principle of Substitution: The value of a property tends to be set by the price that would be paid to acquire a substitute of similar utility and desirability within a reasonable amount of time.

Principle of Contribution: The value of a particular component is measured in terms of its contribution to the value of the whole property. Inversely, the amount that it's absence would detract from it.

Advantages:

- Widely recognized as a reliable valuation approach
- Processed directly from market actions of buyers and sellers

Disadvantages:

- Instances when sufficient sales data is unavailable or subject property is unique



Comparability is greatest when both sales and subject are influenced by the same physical, economic, legal and social factors

Data Needed:

- Subject characteristics
- Design
- Construction Type
- Quality
- Square Footage
- Age
- Characteristics and sales data for similar properties

A comparable sale is a property similar to a subject:

- Similar in physical, economic, or operating characteristics
- Sales need to be recent and similar in use, utility & function
- Sales need to be “Arms-length Transactions”

Adjustments

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Is it okay to compare detached units with attached units?



2 Houses on 1 Lot



Attached duplex

Major Types:

Amount is allocated by the contributory value not individual cost.

Adjustments should be *isolated* and are always made to comparable properties, never to the subject

- Time of sale
- Location
- Physical condition
- Contributory value of components

Cost



Cost doesn't always equal value, but is a valid determinant of value

$$\begin{aligned} &\text{Improvement Cost New} - \\ &\quad \text{Depreciation} \\ &\quad + \\ &\quad \text{Land Value} \\ &\quad = \\ &\text{Property Value} \end{aligned}$$

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Takes the components of a house and assigns a price per sq. foot based on style/materials/finish and adds value for amenities, quality, condition, etc.

- Based on Principle of Substitution
- May be applied to most classes of property

Most counties do a market adjusted cost valuation. Cost models are built and adjusted to the local market.

Advantages:

- Sometimes the only approach for special purpose properties
- Universal application
- Well adapted and easily applied under a mass appraisal system

Disadvantages:

- Difficulty in estimating depreciation especially in older structures



WAC 458-14-116

Orders:

- State the *facts and evidence* upon which the decision is based and the *reasons for the decision*.
- Must be issued within 45 days of the hearing.
- Both parties may appeal to the BTA within 30 days of the mailing date.

If the property value decreases:

- The value becomes effective on the mailing date, even if appealed.

If the property value increases:

- The value becomes effective 30 days after the mailing date, unless appealed.

Reconsiderations:

- Should only be used to correct an egregious error.
- The standard recourse is for the aggrieved party to appeal to the BTA.

If the Board cannot achieve a quorum, such as a tie vote, the Board sustains the assessor's determination.

This may not sit well with the taxpayer so you can:

- remind them of their right to appeal the decision to the BTA.

Orders:

- Mailed to the appellant and the assessor, and a copy is retained for the record.
- Appeal rights must be stated on the order, usually on the bottom. WAC 458-14-116(3)(b).

Fun Fact: BOE is the only one that can increase the value

Reconsiderations:

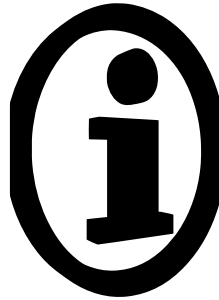
- The Department has advised boards that they may choose to accept and review requests for reconsideration

Forms & Publications:



Public Access Forms:

[Forms \(Public Access\)](#)
[Appeals](#)
[Current Use](#)
[Senior Exemption & Deferral](#)
[Forms](#)
[Forest Land](#)
[Refunds and Waivers](#)



Public Access Publications:

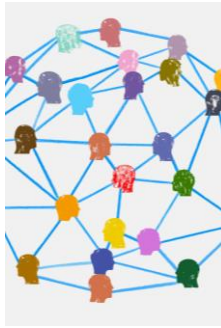
[Publications \(Public Access\)](#)
[Appealing to the BOE](#)
[Designated Forestland](#)
[Guide to Mass Appraisal](#)
[Guide to Property Tax](#)
[1% Property Tax Limit](#)
[Paying Taxes Under Protest](#)



Member Resources:

[Property Tax Resource Center \(PTRC\)](#)
[Special Notices](#)
[State School Levy](#)
[Finding Training](#)
[County Reports & Audits](#)

Wall of Fame:



Board Website Examples:

[Kitsap](#)
[Lincoln](#)
[Spokane](#)



Online Filing Examples:

[King County eAppeals](#)
[Cowlitz Appeal & Dashboard](#)
[Lewis County Online Filing](#)



Member Resources:

[Snohomish Practice & Procedure Document](#)
[Snohomish Appellant Checklist & Tips](#)
[Whitman Letter to Taxpayers](#)



Wrap-up & Evaluations

- Thank you for your participation today. Let us know how we did by completing this [survey](#) by June 11.
- Please let me know if you have suggestions OR complaints.
- If you indicated you wanted a certificate of attendance during registration, we will send yours within a few days. Or you may email dorpropertytaxeducation@dor.wa.gov to make a request.
- Training Season:
 - Basic BOE: Online in future since, only 1 registrant for the in-person class
 - Senior BOE: Online, topics and questions were due with registrations. Did not get much.
 - June 5: Full
 - June 24: Full
 - June 26: Open



Contact Us

For any questions or to get help
from our experts



Website

<https://propertytax.dor.wa.gov/>



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