

Question and Answers Concerning Destroyed Property for Assessors and Taxing Districts

Q. What statute discusses destroyed property abatement and refund?

A. Chapter 84.70 RCW

Q. Will the August 2015 fires affect property taxes due in the 2015 tax year?

A. Yes, those taxpayers that are directly affected will receive immediate property tax relief.

Q. Can the assessor reduce assessed values due to destroyed property without the taxpayer completing a destroyed property form?

A. Yes. The assessor can start the process on their own authority before the taxpayer submits a destroyed property form. Taxpayers are encouraged, but not required, to submit destroyed property forms when they suffer damage, to ensure that the assessor is aware of the impact to their property.

Q. When should the assessor begin the process of inspecting destroyed property?

A. In a disaster area affected by the wildfires, the assessor should inspect the property as soon as it is safe and practical to do so. The assessor will identify the value of the destroyed property before the taxpayer starts the repair process.

Q. How is the reduction or refund of current year taxes calculated?

A. The amount of tax to be refunded or reduced is based on the amount of value lost and the number of days remaining in the year after the destruction has occurred. For example, a property that was valued at \$200,000 was damaged by fire on June 28, 2015, and is now worth only \$150,000. Assume a property tax rate of \$14.50 per \$1,000 of assessed value. The reduction of 2015 tax would be calculated as follows:

Assessed value prior to fires	\$200,000
Value after damage has occurred	\$150,000
Amount of value lost	\$50,000
Multiplied by the property tax rate	\$14.50 per \$1,000 of assessed value
2015 Tax on lost value:	\$725
Multiplied by the portion of year remaining after destruction	186/365 (50.96%)
Amount of reduction or refund	\$369.46 (\$725 × 50.96%)

Q. Will the reduction in taxes due to destroyed property affect property tax revenues for those taxing districts in the disaster area?

A. Yes. Since the 2015 levies were calculated prior to disaster, adjustments for the damage will reduce the collections in 2015.

Q. Can taxing districts impose an administrative refund levy for collection in 2016 based on the destroyed property adjustments?

A. Generally, yes. If taxes are refunded because of destroyed property adjustments, that amount can be added to the next levy. Cancellations of taxes that were not paid may be factored into the next levy depending on other tax supplements that occur during this time period.

Q. Should taxpayers be encouraged to pay their second half 2015 property tax bill in October even if the destroyed property adjustment has not been completed?

A. Yes, a refund can be issued at a later date based on the assessed value reduction. If left unpaid, penalties may still be imposed by the treasurer.

Q. Can the treasurer grant an extension to taxpayers affected by a disaster?

A. Yes. Under RCW 84.56.020(8), extensions may be granted to taxpayers when a state of emergency has been declared. The county treasurer may postpone the payment due date on their own authority or at the request of any affected taxpayer.

If you have any other questions concerning destroyed property, please contact Marilyn O'Connell at MarilynO@dor.wa.gov or (360) 534-1364