

# Special Notice

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

**June 9, 2022**

## Legislative changes to delinquent property taxes

The 2022 Legislature passed [Engrossed House Bill 1982](#) (EHB 1982) amending [RCW 84.56.020](#) effective March 24, 2022. EHB 1982 modifies the interest and penalty provisions for delinquent personal property taxes. It also clarifies the interest rate for property taxes on real and personal property. Specifically, the bill makes the following modifications to current law.

### Real and personal property - interest on delinquent taxes

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

### Real and personal property - penalties on delinquent taxes

- From January 1, 2022, until December 31, 2022, penalties will not be assessed on any delinquent taxes for real or personal property.
- Beginning January 1, 2023, delinquent taxes will be subject to penalties for nonresidential real property, residential real property with greater than four units per taxable parcel and for all personal property. However, residential property with four or fewer units will continue to not be subject to penalties.

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**Table 1.**

<b>Taxes Due</b>	<b>Interest</b>	<b>Penalty</b>
<b>2021 and prior years</b>		
All real and personal Property	12%	3% on June 1st and 8% on December 1st
<b>2022</b>		
All real and personal property	12%	No penalties
<b>2023</b>		
Residential parcel 4 or fewer units	9%	No penalties
All other Real and personal Property	12%	3% on June 1st and 8% on December 1st

## Questions and answers

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

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

**I was unable to pay my 2021 and 2022 property taxes on time and they are now delinquent. I plan to pay them in 2023, what is the interest rate on the delinquent taxes due and will I owe a penalty?**

The interest rate for delinquent 2021 and 2022 property tax is 12%. Penalties for 2021 are 3% if the delinquent tax is not paid by June 1<sup>st</sup>, and an additional 8% if the delinquent taxes are not paid by December 1<sup>st</sup>. No penalties will be due for 2022 delinquent taxes. Please refer to table 1.

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

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

**I have a 5-acre lot with a mobile home that I could not afford to pay the property taxes on in 2021 and 2022 but will pay in 2023. Will there be interest and penalties charged on the delinquent taxes? Will the penalties and interest be the same if I am able to pay the delinquent taxes prior to December 31, 2022?**

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

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

The parcel is considered non-residential and is subject to 12% interest and penalties on delinquent taxes paid in 2023. Please refer to Table 1.

## **Additional Questions?**

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