

REAL ESTATE



LEIGH-ANN HIGASHI

1221 Second Avenue,
Suite 500
Seattle, WA 98101

LEIGH-ANN.HIGASHI@HCMP.COM
206.470.7675

HCMP
Law Offices

Hillis
Clark
Martin &
Peterson P.S.

Q | My neighbor has asked me for an easement to use a portion of my property and has offered to pay me for it. Do I need to pay real estate excise tax (“REET”) on the money I receive?

A | Yes, REET applies to the conveyance of an easement for the use of real property if valuable consideration is received in return. Keep in mind that consideration is not limited to monetary payments, but includes anything of value, such as the performance of services, the transfer of goods, even a mutual easement given in return. Generally, the grantor of the easement is responsible for paying REET, although the parties may agree otherwise. The current tax rate varies between 1.28% and 2.78%, depending on the location of the property.