

## UPDATING THE PERSONAL PROPERTY TAX THRESHOLD



RCW has long provided relief for small businesses by exempting the first \$15,000 in personal property from taxation, but this was established many years ago and no longer provides the intended relief. As a result, the purchase of one piece of equipment can mean a small business owner transitions from exempt to owing personal property taxes. For smaller businesses, the administrative cost of reporting is often higher than the tax owed, and for County Assessors the administrative cost for small accounts is greater than the tax revenue.

### What we Propose:

**Update the outdated personal property tax threshold from \$15,000 to \$50,000 to help small businesses and eliminate unnecessary administrative cost and burden for county assessors.**

Increasing the exemption will help small businesses, reduce Assessor administrative costs and cause only a minor loss in tax revenue. In Spokane County, for example, this will help an estimated 6,200 small businesses while representing only a .095% loss of tax revenue. The Washington Association of County Officials joins with the Washington Association of County Assessors in enthusiastic support of this proposal.

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