



How will Initiative 1098's property tax reductions affect business and property owners?

Short Answer: Initiative 1098 includes a 20% across-the-board cut in the state portion of the property tax levy, which will reduce property taxes for both businesses and individuals that own property.

Background: Two-thirds of Washington households own their homes. These households will receive a direct reduction of 20% of the state portion of the property tax. Businesses of all sizes that own property will also benefit from the property tax cut.

Statewide, the average decrease in commercial and manufacture property tax will be \$394 a year (on the current average combined local and state tax of \$9355). For King County, the average property tax for commercial and manufacture business will drop by \$1,058.

Property Tax Reductions under I-1098, Residential and Commercial

County	Single Family Residences			Manufacturing and Commercial Businesses		
	Average Property Tax	State Portion		Average Property Tax	State Portion	
		Current	I-1098: 20% Reduction		Current	I-1098: 20% Reduction
Island	\$2,443.98	\$660.17	(\$132.03)	\$4,559.77	\$1,231.70	(\$246.34)
King	\$3,984.86	\$889.49	(\$177.90)	\$23,707.64	\$5,291.94	(\$1,058.39)
Kitsap	\$2,674.64	\$601.96	(\$120.39)	\$6,821.99	\$1,535.38	(\$307.08)
Pierce	\$2,751.04	\$514.36	(\$102.87)	\$8,382.59	\$1,567.29	(\$313.46)
Skagit	\$2,109.81	\$458.88	(\$91.78)	\$6,005.44	\$1,306.18	(\$261.24)
Snohomish	\$3,026.74	\$635.91	(\$127.18)	\$10,592.34	\$2,225.41	(\$445.08)
State Avg.	\$2,643.81	\$556.39	\$111.28	\$9,354.94	\$1,968.74	\$393.75

Source: Washington State Department of Revenue, 2009 statistics

Estimate Your Property Tax Cut: Currently, an average of 21% of total property tax goes to the state. The remainder stays in local communities and includes voter-approved school levies and support for other local services.¹ To estimate how much your property tax will decrease under Initiative 1098, take your 2010 property tax bill and multiply it by 5%. That will be your approximate tax cut. For example, a property tax bill of \$2,976.54 x .05 = \$148.83.

¹ Washington Department of Revenue, Tax Reference Manual 2010, www.dor.wa.gov.