

**G.R.I.T. UPDATE Tuesday, October 31, 2006**

**FOR IMMEDIATE RELEASE: October 30, 2006: Attorney General Declares [Sultan] City Real Estate Tax Scheme Illegal**

KIRKLAND, Wash. ( Oct. 30, 2006) - State attorney general Rob McKenna recently issued an opinion declaring illegal the City of Sultan's plan to increase real estate excise taxes while receiving a rebate on lost sales tax from Snohomish County.

The AG opinion was sought by State Representative Brian Sullivan (21st District) at the urging of the Snohomish County Camano Association of REALTORS.

The City's proposal would have raised Sultan's real estate excise tax to a rate of 2.28%, the highest in the State. REALTORS pointed out that the tax increase proposal was not economically beneficial to the City, or to homeowners, because Sultan would have to give up its retail sales tax to the County. The City attempted to circumvent state law by negotiating with the County to rebate the lost sales tax in addition to collecting the new real estate tax.

In his opinion, the Attorney General said "the Legislature chose to foreclose" such double taxation schemes. "State law requires cities to choose between the sales tax and the real estate excise tax ...a city may not escape the consequences of its choice by collecting both revenue sources."

"This decision shuts the door on any other cities attempting to double tax homeowners in this way," said REALTOR Association President Dave Miles. "Many thanks to those members of the NWMLS who contacted Sultan and helped us defeat this illegal scheme."

***NOTE: We will have the AG's opinion posted on our website, either later today or first thing tomorrow a.m.***

**Travel Safely,  
Loretta Storm, Co-founder G.R.I.T., [www.ittakesgrit.org](http://www.ittakesgrit.org)**