

FAQs for County Assessors

PTA – Taxation of Permanent Improvements on Tribal Trust Land

Q. To which properties does the Property Tax Advisory (PTA) apply?

A. The PTA applies to permanent improvements located on land held by the Federal Government in trust for a tribe or tribal member. This is true regardless of the ownership of the improvement. It does not apply to land owned in fee or to improvements on that fee land.

Q. What is the difference between trust land and fee land?

A. Trust land is owned by the United States. It is held in trust for the benefit of the tribe or tribal member.

When the land is owned directly by the tribe or tribal member, it is referred to as fee land. In this case, the Federal Government has no ownership interest and is generally not involved with the property.

Q. What is the definition of “permanent improvements?”

A. With respect to permanent improvements located on trust land, federal law applies. Whether property is classified as real property or personal property under Washington law is not determinative for purposes of this exemption. To be considered a “permanent improvement,” the property must be a fixture attached to the land. Examples would include buildings, orchard trees, etc.

Q. Are mobile homes that are permanently attached to utilities considered permanent improvements?

A. Yes. Mobile homes that are permanently attached to utilities have lost their identity as a mobile unit. Therefore, they would be considered permanent improvements.

Q. Does it matter if the trust land is within the boundaries of a reservation?

A. No. All permanent improvements attached to trust land are exempt from property tax, whether located within or outside the reservation boundaries.

Q. What is the effective date of the decision (or PTA)?

A. In making its decision, the Court applied existing federal law to the facts of the case. Therefore, there is no specific effective date. The ruling applies to prior tax years.

Q. Does a property owner need to apply for the exemption?

A. No. These improvements are exempt because they are located on tribal trust land.

Q. Can owners of the permanent improvements claim a refund of taxes paid prior to the Court’s decision?

A. Yes. Property owners may claim that permanent improvements should not have been taxed in prior years and claim a refund. Under RCW 84.69.030, property owners have three years from the date the property tax was due to file a claim for refund. In order to claim a refund of taxes that were due April 30, 2011, a claim must be filed with the county treasurer by April 30, 2014.

Q. Does the PTA apply to improvements attached to land for which a tribe has applied to BIA for trust status?

A. No. The PTA would not apply until the tribe receives formal notification that the land has been accepted into trust status by the BIA.