

# Chapter 11

## Leasehold Excise Tax

## 82.29A.020(1)(a) - Manufacturing for government

**Description** "Leasehold interest" excludes interest in personal property owned by the U.S. or by a foreign government when the right to use such property is part of a contract to produce articles for sale to these governments.

**Purpose** Minimizes the cost of the articles produced and to encourage the federal government to contract with Washington businesses.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions** This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources** Department of Revenue, Excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Contractors with the federal and foreign governments
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2012 with an upcoming review scheduled in 2025

## 82.29A.020(1)(b)(i) - Easements for removing products

**Description** "Leasehold interest" excludes road or utility easements, rights of access, occupancy, or use granted solely for the purpose of removing materials or products purchased from a public owner or lessee. The term also excludes rights of access, occupancy, or use granted solely for the purpose of natural energy resource exploration.

**Purpose** To minimize costs to private businesses and individuals who use public lands for these purposes.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.142	\$0.144	\$0.146	\$0.149
Local Taxes	\$0.125	\$0.126	\$0.128	\$0.130

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.108	\$0.146	\$0.149
Local Taxes	\$0.000	\$0.095	\$0.128	\$0.130

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Any possible single, high-value easement granted during the scope of this estimate would pull these numbers higher.
- Fewer than 50 such easement rights are granted for product removal annually.

**Data Sources**

- Department of Natural Resources, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast

## 82.29A.020(1)(b)(i) - Easements for removing products

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### Additional Information

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Utility companies and other businesses and individuals who must have long-term access across public lands or who use public roads on a temporary basis to remove timber, minerals, etc. that are purchased from public entities
<b>Taxpayer Count:</b>	Fewer than 50
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011 and 2023

## 82.29A.020(1)(b)(ii) - Publicly owned cargo cranes & docks

**Description** "Leasehold interest" excludes the use of publicly owned cargo cranes and docks associated with the loading and unloading of cargo located at a port district marine facility.

**Purpose** To minimize costs to private businesses and individuals who use port district lands for the loading and unloading of cargo in ocean commerce.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$6.556	\$6.621	\$6.734	\$6.581
Local Taxes	\$5.751	\$5.808	\$5.907	\$6.010

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$4.966	\$6.734	\$6.581
Local Taxes	\$0.000	\$4.356	\$5.907	\$6.010

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Port of Vancouver and Port of Everett rents are 50% of the averages of those in Seattle and Tacoma.
- Port of Olympia rents are 30% of the averages of those in Seattle and Tacoma.

**Data Sources**

- Department of Revenue, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2012
<b>Primary Beneficiaries:</b>	Private entities using publicly owned cargo cranes, docks, and associated areas
<b>Taxpayer Count:</b>	20
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.020(2)(b) - Hanford lease fees

**Description** For purposes of determining leasehold tax, any Hanford reservation lands subleased to a private or public entity by the Department of Ecology, the term "taxable rent" includes only the annual cash rental payment and does not include fees, assessments, or other charges.

**Purpose** To reduce the cost of such leases.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions** This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources** Department of Health, Waste disposal data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1991
<b>Primary Beneficiaries:</b>	Companies providing radioactive waste cleanup at Hanford
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2013 with an upcoming review in 2026

## 82.29A.120(1)(a)(i) - Senior and people with disabilities homeowners exemption OR credit for excessive leasehold tax

**Description** A credit is allowed against leasehold excise tax for a property lease that would qualify a senior citizen and people with disabilities property tax exemption if the property were privately owned. The allowable credit is a proportionate amount of reduction that would result from the individual's property tax exemption.

**Purpose** To provide tax relief to seniors and people with disabilities similar to the exemption allowed for property tax.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions**

No data is available to determine if this exemption is being utilized, therefore the impact is indeterminate but assumed minimal.

**Data Sources**

Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1986
<b>Primary Beneficiaries:</b>	Senior and disabled leaseholders
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2012

## 82.29A.120(1)(a)(ii) - Product leases credit of 33%

**Description** A credit is allowed against leasehold excise tax equal to 33% of the tax otherwise due on product leases, i.e., leases where the lessee pays the lessor a percentage of the value of the crop produced on the land.

**Purpose** To support agriculture.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.159	\$0.162	\$0.165	\$0.169
Local Taxes	\$0.139	\$0.142	\$0.145	\$0.148

**Repeal of exemption**

Repealing this credit would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.122	\$0.165	\$0.169
Local Taxes	\$0.000	\$0.107	\$0.145	\$0.148

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.

**Data Sources**

- Department of Revenue, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast

**Additional Information**

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Farmers who produce crops or graze livestock on publicly owned land
<b>Taxpayer Count:</b>	10
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011



## 82.29A.120(1)(b) - Leasehold interests in real property owned by state universities

**Description** A credit is allowed against leasehold excise tax for real property owned by a state university equal to the amount of leasehold excise tax exceeds property tax that would apply if the property were privately owned. This credit is only available on properties valued more than \$10 million as of January 1st of the year prior to the year the credit is claimed.

**Purpose** To reduce the leasehold excise tax for lessees of state-owned university property when the leasehold excise tax exceeds the property tax if the property was otherwise owned by the lessee.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption** Repealing this credit may result in a minimal increase of revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions** This credit impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources** Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2017
<b>Primary Beneficiaries:</b>	Leaseholders of university properties
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.125 - Electric vehicle infrastructure

**Description** All leasehold interests in public lands are exempt from state and local leasehold excise taxes if the purpose of the leasehold interest is to install, maintain, and operate electric vehicle infrastructure, which includes battery charging stations, rapid charging stations, battery exchange stations, fueling stations that provide hydrogen for fuel cell electric vehicles, green electrolytic hydrogen production facilities, and renewable hydrogen production facilities. This exemption expires on July 1, 2025.

**Purpose** To encourage the installation of electric and hydrogen vehicle infrastructure.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this exemption would not increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- Based on research, the annual rent for electric vehicle charging stations would be less than \$250 per year. Leasehold interests with a taxable rent amount less than \$250 see RCW 82.29A.130(9).

**Data Sources**

- U.S. Department of Energy, Alternative Fuels Data Center
- Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2009
<b>Primary Beneficiaries:</b>	Owners of electric vehicle charging and hydrogen fueling facilities
<b>Taxpayer Count:</b>	50
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2017

## 82.29A.130(1) - Public utility properties

**Description** All leasehold interests in operating properties of state assessed public utilities that are subject to property tax are exempt from leasehold excise tax.

**Purpose** To avoid the value of certain properties being subject to both leasehold excise tax and property tax.

**Taxpayer savings**

**(\$ in millions):**

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$15.948	\$16.068	\$16.317	\$16.576
Local Taxes	\$10.578	\$10.592	\$10.699	\$10.808

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

**(\$ in millions):**

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$12.051	\$16.317	\$16.576
Local Taxes	\$0.000	\$7.944	\$10.699	\$10.808

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic Forecast Council's March 2023 forecast.
- Estimates are net of state and local leasehold excise tax. The state leasehold excise tax rate is proportionately greater than the local rate compared with property tax rates. A shift of tax burden from the state to local jurisdictions would take place, if the exemption were eliminated.

**Data Sources**

- Department of Revenue, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1974
<b>Primary Beneficiaries:</b>	State assessed public utility companies
<b>Taxpayer Count:</b>	44
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.130(2) - Facilities owned or used by schools, colleges, or universities providing housing to students

**Description** All leasehold interests in facilities owned or used by schools, colleges, or universities who provide housing for students, and are otherwise exempt from property tax, are also exempt from leasehold excise tax.

**Purpose** To support schools, colleges, and universities, and provide relief for housing their students.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$105.780	\$106.820	\$108.650	\$110.530
Local Taxes	\$92.790	\$93.700	\$95.300	\$97.960

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$80.119	\$108.650	\$110.530
Local Taxes	\$0.000	\$70.280	\$95.308	\$96.963

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Student housing leasehold excise tax will mirror the statewide leasehold tax.

**Data Sources**

- National Multifamily Housing Council
- U.S. Census Bureau
- Economic and Revenue Forecast Council March 2023 forecast
- FinancesOnline.com, '47 Essential Student Housing Statistics You Must Learn

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Schools, colleges, or universities that provide housing to students
<b>Taxpayer Count:</b>	100
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.130(3) - Subsidized housing

**Description** All leasehold interests of subsidized housing owned by the U.S. government, the state, or any political subdivision are exempt from leasehold excise tax if income qualifications for the housing exist.

**Purpose** To support public housing for low-income individuals.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$15.200	\$16.400	\$17.700	\$19.100
Local Taxes	\$13.300	\$14.400	\$15.500	\$16.800

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$12.300	\$17.700	\$19.100
Local Taxes	\$0.000	\$10.800	\$15.500	\$16.800

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Annual increase in monthly rents will match observed increases from 2018 to 2022.
- The number of subsidized housing units will remain the same.

**Data Sources**

- U.S. Department of Housing and Urban Development

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Public housing authorities and the individuals who reside in subsidized housing
<b>Taxpayer Count:</b>	95,000
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017

## 82.29A.130(5) - Public employee housing

**Description** All leasehold interests used as the employee's residence, when the terms require public employees of their employment to live in a publicly owned property (e.g. at state parks), are exempt from leasehold excise tax.

**Purpose** This exemption supports the legislative policy to not tax the government. Also, the tax would in essence reduce employee compensation or increase government costs.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.093	\$0.094	\$0.096	\$0.098
Local Taxes	\$0.082	\$0.083	\$0.084	\$0.086

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.071	\$0.096	\$0.098
Local Taxes	\$0.000	\$0.062	\$0.084	\$0.086

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Market rents will grow similarly to market values.

**Data Sources**

- Washington State Parks, Leasehold data
- Economic and Revenue Forecast Council, March 2023 forecast

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Public employees who must live in government housing
<b>Taxpayer Count:</b>	179
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017

## 82.29A.130(6-7) - Indian trust lands

**Description** All leasehold interests in Indian lands by any Indian or Indian tribe for property held in trust by the U.S. are exempt from the leasehold excise tax. Leases by non-Indians are exempt when the contract rent paid is greater than or equal to 90% of fair market rental value.

**Purpose** Federal law prohibits the taxation of trust lands of enrolled Indians.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$2.584	\$2.610	\$2.654	\$2.701
Local Taxes	\$2.267	\$2.289	\$2.328	\$2.369

**Repeal of exemption**

State taxation of nontribal members is not prohibited but could lead to litigation.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$1.957	\$2.654	\$2.701
Local Taxes	\$0.000	\$1.717	\$2.328	\$2.369

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Market rents will grow similarly to market values.

**Data Sources**

- Department of Revenue, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- Crexi.com, 'Seattle Commercial Real Estate Market'

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Indians and non-Indians with qualifying leases of Indian property
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011

## 82.29A.130(8) - Leases less than \$250 per year

**Description** Leases of public property are exempt from leasehold tax if the total annual rent is less than \$250.

**Purpose** The \$250 annual threshold supports small businesses and provides administrative convenience for lessees and lessors.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Minimal	Minimal	Minimal	Minimal
Local Taxes	Minimal	Minimal	Minimal	Minimal

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Minimal	Minimal	Minimal
Local Taxes	\$0.000	Minimal	Minimal	Minimal

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate in the Economic and Revenue Forecast Council's March 2023 forecast.

**Data Sources**

- Department of Revenue, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Qualifying lessees
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review in 2023



## 82.29A.130(9) - Leases less than 30 days

**Description** Leases of public property are exempt from leasehold tax if the lease period does not exceed 30 consecutive days in duration.

**Purpose** The 30-day threshold can apply to both small and large lessees. It encourages short-term events, such as sporting events and trade shows, to take place in Washington.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$2.096	\$2.116	\$2.152	\$2.190
Local Taxes	\$1.838	\$1.856	\$1.888	\$1.921

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$1.587	\$2.152	\$2.190
Local Taxes	\$0.000	\$1.392	\$1.888	\$1.921

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate in the Economic and Revenue Forecast Council's March 2023 forecast.
- Data used only includes revenue from state parks and fairs. Revenue from other sources using this exemption is unavailable, therefore this estimate may be understating revenues.

**Data Sources**

- Department of Revenue, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- Washington Department of Agriculture, Fair funding applications

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Qualifying lessees
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2023

## 82.29A.130(10) - Homes pending destruction

**Description** All leasehold interests in month-to-month leases in residential units rented for residential purposes pending destruction or removal to construct a public highway or building are exempt from leasehold tax.

**Purpose** When a private residence is either condemned or purchased outright to make way for a public project, this exemption provides tax relief during the transition period.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions** No data is available to determine if this exemption is being utilized, therefore the impact is indeterminate but assumed to be minimal.

**Data Sources** Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Residents of homes awaiting destruction or removal
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017

# 82.29A.130(11) - Public works contracts

**Description** All leasehold interests of public works contractors while completing public works projects for the state or federal government are exempt from leasehold excise tax.

**Purpose** To minimize the cost to government of public works construction projects.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption** Repealing this exemption may possibly increase revenues.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions** No data is available to determine if this exemption is being utilized, therefore the impact is indeterminate but assumed to be minimal.

**Data Sources** Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1998
<b>Primary Beneficiaries:</b>	Government and contractors
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011

## 82.29A.130(12) - Inmate employment programs

**Description** All leasehold interests for businesses that use space in in-state adult correctional facilities in conjunction with comprehensive inmate work programs are exempt from leasehold excise tax.

**Purpose** To promote inmate work programs.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this exemption would not increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

Class 1 Department of Corrections (DOC) industries are unconstitutional, as ruled by the Washington State Supreme Court in 2004. There is no revenue impact.

**Data Sources**

Department of Corrections

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1992
<b>Primary Beneficiaries:</b>	Businesses using space in in-state adult correctional facilities
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017

## 82.29A.130(13) - Camps for people with disabilities

**Description** All leasehold interests of nonprofit, social service organizations that provide organized and supervised recreational activities for people with disabilities of all ages in a camp facility and for public recreational purposes are exempt from leasehold tax.

**Purpose** To support the activities of qualifying nonprofit organizations.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.019	\$0.020	\$0.020	\$0.020
Local Taxes	\$0.017	\$0.017	\$0.017	\$0.018

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.015	\$0.020	\$0.020
Local Taxes	\$0.000	\$0.013	\$0.017	\$0.018

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate in the Economic and Revenue Forecast Council's March 2023 forecast.

**Data Sources**

- Department of Revenue, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- Various websites for camps for disabled persons

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1995
<b>Primary Beneficiaries:</b>	Organizations that operate camps for people with disabilities on leased public property
<b>Taxpayer Count:</b>	6
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2016

## 82.29A.130(14) - Professional baseball stadium

**Description** All leasehold interests in the public or entertainment areas of a professional baseball stadium located in a county with a population of over one million (e.g. King County) are exempt from the leasehold tax. The baseball stadium must have natural turf, a retractable roof or canopy, a seating capacity of at least 40,000, and constructed after January 1, 1995, to be eligible for the exemption. The exemption does not extend to nonpublic areas of the stadium such as locker rooms and private offices used exclusively by the lessee.

**Purpose** To encourage constructing and operating a baseball stadium, e.g., T-Mobile Park in King County.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources**

Ballpark.org, Ballpark lease information

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1995
<b>Primary Beneficiaries:</b>	Professional baseball stadium
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	Other leases of publicly owned sports facilities are subject to leasehold excise tax if the lessee has exclusive use of the facility. However, many leases of sports facilities are considered as a license to use the facility rather than an exclusive lease, and therefore leasehold tax does not apply.
<b>JLARC Review:</b>	Expedited review completed in 2022

## 82.29A.130(15) - Professional football stadium

**Description** All leasehold interests in the public or entertainment areas of an open-air stadium that is suitable for professional football and Olympic/World Cup soccer constructed after January 1, 1998, are exempt from leasehold excise tax. The exemption also applies to an exhibition center and associated work areas primarily servicing public or entertainment areas such as parking facilities adjacent to the stadium.

**Purpose** To encourage construction and operation of a stadium, such as Lumen Field & Exhibition Center.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources**

Public Stadium Authority

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1997
<b>Primary Beneficiaries:</b>	Professional football and soccer stadium
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	Other leases of publicly owned sports facilities are subject to leasehold excise tax if the lessee has exclusive use of the facility. However, many leases of sports facilities are considered as a license to use the facility rather than an exclusive lease, and leasehold tax does not apply.
<b>JLARC Review:</b>	Expedited review completed in 2022

## 82.29A.130(16) - Public facilities districts

**Description** All leasehold interests in property owned by public facilities districts are exempt from leasehold excise tax. The exemption covers sports and entertainment venues, conference and convention centers, and special events facilities.

**Purpose** To encourage the construction and utilization of these public facilities.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.292	\$0.295	\$0.300	\$0.305
Local Taxes	\$0.256	\$0.259	\$0.263	\$0.268

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.221	\$0.300	\$0.305
Local Taxes	\$0.000	\$0.194	\$0.263	\$0.268

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors the leasehold excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- No new facilities will utilize this exemption for the length of this estimate.

**Data Sources**

- Joint Legislative Audit and Review Committee, Leasehold excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1999
<b>Primary Beneficiaries:</b>	Public facility districts and persons who lease these facilities
<b>Taxpayer Count:</b>	24
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2015



## 82.29A.130(17) - Historic property

**Description** All leasehold interests in property owned by a municipality or the federal government, listed on a federal or state historical register, and located within a designated national historic reserve are exempt from leasehold excise tax.

**Purpose** To support the social benefits provided by publicly owned historical sites.

**Taxpayer savings**

**(\$ in millions):**

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.242	\$0.248	\$0.254	\$0.260
Local Taxes	\$0.212	\$0.217	\$0.223	\$0.228

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

**(\$ in millions):**

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.186	\$0.254	\$0.260
Local Taxes	\$0.000	\$0.163	\$0.223	\$0.228

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Rental growth will mirror the growth of the Consumer Price Index over the last five years.

**Data Sources**

- National Parks Service
- The Historic Trust
- Census Bureau, Consumer Price Index

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	2005
<b>Primary Beneficiaries:</b>	Lessees of historical property within national historic reserves
<b>Taxpayer Count:</b>	3
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2023

## 82.29A.130(18) - Clark County amphitheater

**Description** All leasehold interests in the public or entertainment areas of a privately constructed, operated, and maintained amphitheater, where both the public owner and the private lessee regularly sponsor events, with a seating capacity of at least 17,000 and is in a county with a population over 350,000 and less than 425,000 at the time it opened are exempt from the leasehold excise tax. The exemption does not extend to private offices used predominately by the lessee.

**Purpose** To encourage the construction, maintenance, and operation of an amphitheater in Clark County.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources**

Clark County Assessor's Office

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2005
<b>Primary Beneficiaries:</b>	Lessees of the Clark County amphitheater
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2022

## 82.29A.130(19) - Military housing

**Description** All leasehold interests in certain military housing units and ancillary supporting facilities are exempt from property tax and leasehold excise tax. The housing must be located on land owned in fee by the federal government, be used for housing military personnel and their families, and be provided by a development project under the federal Military Housing Privatization Initiative of 1996.

**Purpose** To support military housing.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption** Repealing this exemption may possibly increase revenues. The department would have to bill individual renters for the leasehold tax. This could be difficult in the changing military environment.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

- This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources**

- Department of Revenue, Property tax data
- Office of the Secretary of Defense, Military housing data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2008
<b>Primary Beneficiaries:</b>	Companies that own military housing on federal land
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020

## 82.29A.130(20) - Leasehold interest in facilities owned or used by community or technical colleges

**Description** All leasehold interests in facilities owned or used by a community college or technical college to provide food services, operate a bookstore, or provide maintenance, operational, or administrative services are exempt from leasehold excise tax.

**Purpose** To provide leasehold excise tax relief to private lessees who lease facilities from community or technical colleges (lessors) for certain purposes, and to relieve the lessors from the obligation to collect and remit such taxes from the lessees.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions** This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources** Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2017
<b>Primary Beneficiaries:</b>	Leaseholders at community colleges
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.130(21) - Tacoma dome public area

**Description** All leasehold interests in the public or entertainment areas of an arena are exempt from leasehold excise tax if the arena:

- Has a seating capacity of more than 2,000.
- Is located on city-owned land.
- Owned by a city with a population over 200,000 within a county with a population of less than 1.5 million.

**Purpose** To promote public entertainment facilities and to bring certain arenas, such as the Tacoma Dome, in line with other public stadiums and arenas.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources**

Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	2020
<b>Primary Beneficiaries:</b>	Tacoma Dome
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.130(22) - Facilities owned by state parks located at historical sites

**Description** All leasehold interests in facilities owned by the state Parks and Recreation Commission and listed on the National Register of Historic Places or the Washington Heritage Register are exempt from leasehold excise tax.

**Purpose** To preserve and protect historic facilities owned by state parks.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.050	\$0.052	\$0.053	\$0.055
Local Taxes	\$0.044	\$0.045	\$0.047	\$0.048

**Repeal of exemption** Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.039	\$0.053	\$0.055
Local Taxes	\$0.000	\$0.034	\$0.047	\$0.048

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- There were approximately 29 lease agreements subject to paying leasehold excise tax in 2022.
- An average of one lease agreement is added per year.

**Data Sources**

- Department of Revenue, Leasehold excise tax data
- Washington State Parks & Recreation

**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	2022
<b>Primary Beneficiaries:</b>	People who lease historical facilities owned by state parks
<b>Taxpayer Count:</b>	30
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.130(23) - Public or entertainment areas of an arena

**Description** All leasehold interests in the public or entertainment areas of an arena located in a city with a population over 100,000 and located on city-owned land are exempt from the leasehold tax. The arena must have a seating capacity of at least 4,000 and the funds used for constructing improvements to the arena were 100% the responsibility of private entities and not reimbursed by the public owner. The exemption also extends to office areas of the arena used predominantly by the lessee.

**Purpose** To encourage construction and operation of Climate Pledge Arena.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources**

Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2023
<b>Primary Beneficiaries:</b>	Leasehold interests in qualified public or entertainment areas
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	Other leases of publicly owned sports facilities are subject to leasehold excise tax if the lessee has exclusive use of the facility. However, many leases of sports facilities are considered as a license to use the facility rather than an exclusive lease, and leasehold tax does not apply.
<b>JLARC Review:</b>	No review completed

## 82.29A.132 - Second Narrows bridge

**Description** All leasehold interests in the state route 16 corridor transportation systems and facilities constructed and operated are exempt from leasehold excise tax. This includes the second bridge over Puget Sound at the Tacoma Narrows and its approaches.

**Purpose** This exemption was predicated upon the assumption that upon completion of the bridge, the state would lease the bridge to the private entity that constructed the facility to operate and maintain it for the term of the lease. This statute exempted such a lease from leasehold excise tax. However, the ownership arrangements have since changed and no lease of the facility is contemplated.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this exemption would not increase revenues. No public property is being leased at this time.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

No lease of the facility is currently contemplated. We expect no usage during the forecasted period of this study.

**Data Sources**

Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1998
<b>Primary Beneficiaries:</b>	Lessees along SR 16 and Tacoma Narrows bridge
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020



## 82.29A.134 - Regional Transit Authority Sales and Leasebacks

**Description** All leasehold interests in property owned by a Regional Transit Authority (RTA) are exempt from leasehold excise tax if they are in connection with a sale and leaseback arrangement.

**Purpose** A sale and leaseback arrangement is a financing mechanism used to facilitate the acquisition of personal property by an RTA.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing this exemption would not increase revenues.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** The Regional Transit Authority is not using the sale and leaseback arrangement due to changes in Internal Revenue Service policy.

**Data Sources** Regional Transit Authority

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2000
<b>Primary Beneficiaries:</b>	Sound Transit and investors
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020

## 82.29A.135 - Anaerobic digesters

**Description** All leasehold interests in buildings, machinery, and other personal property which are used primarily for the operation of an anaerobic digester, the land upon which this property is located, and land that is reasonably necessary in the operation of an anaerobic digester are exempt from leasehold taxes for a period of six years from the date on which the facility or the addition to the existing facility becomes operational. Applicants may not file a claim for this exemption after December 31, 2024.

**Purpose** To encourage the production of renewable natural gas in Washington by stimulating investment in biogas capture and conditioning, compression, nutrient recovery, and use of renewable natural gas for heating, electricity generation, and transportation fuel.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this exemption would not increase revenues, because it is not being used.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

No facilities currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources**

Department of Revenue, Leasehold excise tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	2018
<b>Primary Beneficiaries:</b>	Leaseholder of qualifying anaerobic digesters
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 82.29A.136 - Residential and recreational developments

**Description** All leasehold interests comprised of 3,000 or more residential and recreational lots that are, or may be, subleased for residential or recreational purposes, are exempt from leasehold excise tax and subject instead to property taxes.

**Purpose** To treat certain residential and recreational lots in a similar manner as other housing property. Lessees also avoid a processing fee, and the properties are governed by the various limits on property tax levies.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption**

Repealing this exemption would increase revenues for the leasehold tax. However, property taxes currently paid would decrease, which could shift the state and local property taxes to other taxpayers in the form of higher levy rates.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources**

Department of Revenue, Leasehold tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	2001
<b>Primary Beneficiaries:</b>	Lessees of lots at Lake Cushman which are owned by the City of Tacoma
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2015

## 82.29A.137 - Super-efficient airplane production facilities

**Description** Leasehold interests held by a manufacturer of a super-efficient airplane in property of a port district are exempt from leasehold excise tax. This exemption expires July 1, 2040.

**Purpose** Encourages the production of super-efficient airplanes in Washington.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this exemption would not increase revenue because currently no taxpayers use it.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

No known manufacturers of super-efficient airplanes are located on port property, and none are expected during the forecasted period of this study.

**Data Sources**

Department of Revenue, Annual tax performance report data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2003
<b>Primary Beneficiaries:</b>	Manufacturers of super-efficient planes on port property
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2014 and 2019 with an upcoming review in 2024

## 82.29A.138 - Amateur radio repeaters

**Description** Owners of amateur radio repeaters (transmission facilities to extend the range of radio signals) which are located on leased public property are exempt from leasehold excise tax. These facilities must be available to public agencies that are qualified responders for use in emergency communications.

**Purpose** To increase the availability of emergency communication equipment used by public agencies in the event of an emergency.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.014	\$0.015	\$0.016	\$0.018
Local Taxes	\$0.012	\$0.013	\$0.014	\$0.016

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.011	\$0.016	\$0.018
Local Taxes	\$0.000	\$0.010	\$0.014	\$0.016

**Assumptions**

- This repeal takes effect July 1, 2024, and impacts nine months of collections in fiscal year 2025.
- Growth rate mirrors past growth rate of rental collections.

**Data Sources**

- Department of Natural Resources, Leasehold data

**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	2007
<b>Primary Beneficiaries:</b>	Amateur radio operators and amateur radio clubs
<b>Taxpayer Count:</b>	29
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2022