



# In-Lieu Excise Tax



## 35.21.755 - Public corporations

**Description** Public corporations, commissions, and authorities must pay an in-lieu excise tax equal to what the property tax would be if a private owner owned the property.

Certain properties are exempt from this in-lieu tax including property:

- located in a special review district established prior to January 1, 1976;
- listed on a federal or state register of historical sites;
- used primarily for low income housing, as a convention center, performing arts center, public assembly hall, public meeting place, public esplanade, street, public way, public open space, park, public utility corridor, or public view corridor;
- considered blighted property acquired by a public corporation for remediation purposes; or
- used for transit purposes by a regional transit authority.

Certain historical properties are exempt from the leasehold excise taxes of RCW 82.29A.

**Purpose** Supports social benefits provided by community resources and encourages owners to retain historical property.

**Taxpayer savings**

*(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.320	\$2.370	\$2.430	\$2.490
Local Taxes	\$9.350	\$9.830	\$10.220	\$10.640

**Repeal of exemption**

Repealing this exemption would increase revenues.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$2.173	\$2.430	\$2.490
Local Taxes	\$0.000	\$9.011	\$10.220	\$10.640

**Assumptions**

Eleven months of collections in Fiscal Year 2017 due to July 1, 2016 effective date.

**Data Sources**

- County assessor data
- State property tax levy model

*Continued*

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### Additional Information

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<b>Category:</b>	Government
<b>Year Enacted:</b>	1974
<b>Primary Beneficiaries:</b>	<ul style="list-style-type: none"><li>• Public Housing Authorities,</li><li>• Preservation and Development Authorities,</li><li>• The Meydenbauer Convention Center in Bellevue,</li><li>• The Thea Foss Esplanade in Tacoma, and</li><li>• Property of the Regional Transit Authority.</li></ul>
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	JLARC has scheduled to review in 2016