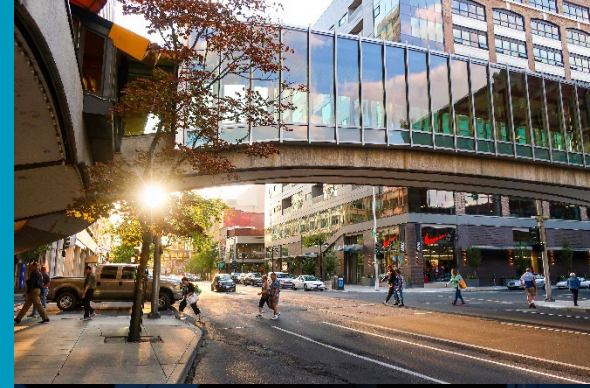




CPT Exemptions

Transportation Commission





Adopted by the City Council in November.
Effective April 1, 2026

Established an Efficient Land Use Credit
Program

Created additional exemptions for
employee, residential, and student parking

Next steps: Public Rule Implementation

Local Option Commercial Parking Tax

Efficient Land Use Credit Program

Credit = ½ of Imposed Rate

- Two or more floors of commercial parking
- Below-ground parking
- Counter-complete building permit for residential or commercial development

Pavement to People +

Waives application fees for Pavement to People Sales and Use Tax Deferral Program



Commercial Parking Tax Exemptions

State Exemptions

- Tax-Exempt Carpools
- Vehicles with Handicap Decals
- Government Vehicles

+ Spokane Exemptions

- Long-term Employee Parking
- Long-term Residential Parking
- Long-term Student Parking
- On-street parking (City)

Long-term Parking



Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3030.2009

Issue Date: February 2, 2009

Parking Fees as Income from Rental of Real Estate

Where designated parking spaces are rented for thirty day periods for the exclusive use of a customer, is the income from parking fees exempt from retail sales tax as income from rental of real estate?

RCW 82.04.050 includes within the definition of retail sale fees received by persons engaging in the automobile parking and storage garage businesses. However, the retail sales tax does not apply to rentals of real estate. WAC 458-20-118 defines a lease or rental of real estate as an agreement which

... conveys an estate or interest in a certain designated area of real property with an exclusive right in the lessee of continuous possession against world, including the owner, and grants to the lessee the absolute right of control and occupancy during the term of the lease or rental agreement

When a parking business rents designated parking spaces for thirty day periods and the customers parked their own cars and had the right of exclusive use of designated parking spaces, the parking fees are from the rental of real estate and not subject to retail sales tax. Income from such rentals is also exempt from the business and occupation tax. RCW 82.04.390.

- “When a parking business rents designated parking spaces for thirty day periods, and the customers parked their own cars and had the right of exclusive use of designated parking spaces, the parking fees are from the rental of real estate and not subject to retail sales tax. Income from such rentals is also exempt from the business and occupation tax”

Exemption Examples

Not Subject to the CPT

- An employee of a downtown business who parks in a commercial parking lot where the person has a designated and reserved parking stall for thirty days or longer
- A resident who receives a reserved parking stall for thirty days or longer from a commercial parking business for his or her residence (regardless of whether the residence is rented or owned)

Subject the CPT

- A person who has the privilege to park in a commercial parking lot but does not have a designated or reserved parking stall
- A business leases ten designated or reserved parking stalls in a commercial parking lot from a commercial parking business. The ten stalls are reserved for thirty days or longer. The business leasing the ten reserved stalls charges their employees or customers a fee for parking in any of the ten reserved stalls.

Thank you

- Any additional scenarios we should consider?
- Additional clarification needed?