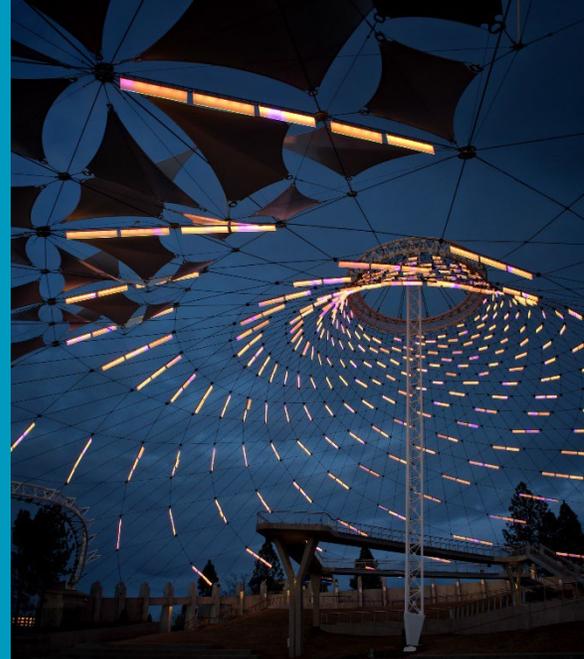




Local Option Commercial Parking Tax

Transportation Commission





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

Established an Efficient Land Use Credit Program

Created additional exemptions for long-term parking such as students, employees, and residential

Next step: 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

- On-street parking
- Long-term parking (30 days + in a designated space)
- Park & Rides including Shuttle Park



Long-term Parking

Department of
Revenue
Washington State

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”



Next Steps

- Public Rule Briefing
Spokane City Council Finance & Administration Committee
February 23rd
- Public Rule Adoption
Spokane City Council
March 9th

Comments may be sent to jsnyder@spokanecity.org or amcdaniel@spokanecity.org