



# Local Option Commercial Parking Tax – Public Rule

Finance & Administration Committee





Adopted by the City Council in  
November

Now: Public Rule Implementation

Next: Commercial Parking Lot  
Registration

CPT Effective: April 1, 2026

## 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.

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- “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 for Public Rule

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

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## Next Steps Internally

- Publishing the commercial parking tax webpage
- Finalizing a commercial parking lot registration form that will be sent to identified commercial parking businesses and independently-owned commercial parking lots
- Finalizing the monthly remittance form, then transitioning to online payment processing upon deployment of LAMA



Thank you