
SENATE BILL 5021

State of Washington

52nd Legislature

1991 Regular Session

By Senator Barr.

Read first time January 15, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to leasehold excise tax exemptions; and amending
2 RCW 82.29A.130.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 82.29A.130 and 1975-'76 2nd ex.s. c 61 s 13 are each
5 amended to read as follows:

6 The following leasehold interests shall be exempt from taxes
7 imposed pursuant to RCW 82.29A.030 and 82.29A.040:

8 (1) All leasehold interests constituting a part of the operating
9 properties of any public utility which is assessed and taxed as a
10 public utility pursuant to chapter 84.12 RCW.

11 (2) All leasehold interests in facilities owned or used by a
12 school, college or university which leasehold provides housing for
13 students and which is otherwise exempt from taxation under provisions
14 of RCW 84.36.010 and 84.36.050.

1 (3) All leasehold interests of subsidized housing where the fee
2 ownership of such property is vested in the government of the United
3 States, or the state of Washington or any political subdivision thereof
4 but only if income qualification exists for such housing.

5 (4) All leasehold interests used for fair purposes of a nonprofit
6 fair association that sponsors or conducts a fair or fairs which
7 receive support from revenues collected pursuant to RCW 67.16.100 and
8 allocated by the director of the department of agriculture where the
9 fee ownership of such property is vested in the government of the
10 United States, the state of Washington or any of its political
11 subdivisions: PROVIDED, That this exemption shall not apply to the
12 leasehold interest of any sublessee of such nonprofit fair association
13 if such leasehold interest would be taxable if it were the primary
14 lease.

15 (5) All leasehold interests in any property of any public entity
16 used as a residence by an employee of that public entity who is
17 required as a condition of employment to live in the publicly owned
18 property.

19 (6) All leasehold interests in real property held by a person using
20 the property for residential purposes, if the residential structure is
21 the personal property of the lessee and such structure is subject to
22 the personal property tax.

23 (7) All leasehold interests held by enrolled Indians of lands owned
24 or held by any Indian or Indian tribe where the fee ownership of such
25 property is vested in or held in trust by the United States and which
26 are not subleased to other than to a lessee which would qualify
27 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

28 ((+7)) (8) All leasehold interests in any real property of any
29 Indian or Indian tribe, band, or community that is held in trust by the
30 United States or is subject to a restriction against alienation imposed

1 by the United States: PROVIDED, That this exemption shall apply only
2 where it is determined that contract rent paid is greater than or equal
3 to ninety percent of fair market rental, to be determined by the
4 department of revenue using the same criteria used to establish taxable
5 rent in RCW 82.29A.020(2)(b).

6 ~~((+8+))~~ (9) All leasehold interests for which annual taxable rent
7 is less than two hundred fifty dollars per year. For purposes of this
8 subsection leasehold interests held by the same lessee in contiguous
9 properties owned by the same lessor shall be deemed a single leasehold
10 interest.

11 ~~((+9+))~~ (10) All leasehold interests which give use or possession
12 of the leased property for a continuous period of less than thirty
13 days: PROVIDED, That for purposes of this subsection, successive
14 leases or lease renewals giving substantially continuous use of
15 possession of the same property to the same lessee shall be deemed a
16 single leasehold interest: PROVIDED FURTHER, That no leasehold
17 interest shall be deemed to give use or possession for a period of less
18 than thirty days solely by virtue of the reservation by the public
19 lessor of the right to use the property or to allow third parties to
20 use the property on an occasional, temporary basis.

21 ~~((+10+))~~ (11) All leasehold interests under month-to-month leases
22 in residential units rented for residential purposes of the lessee
23 pending destruction or removal for the purpose of constructing a public
24 highway or building.

25 ~~((+11+))~~ (12) All leasehold interests in any publicly owned real or
26 personal property to the extent such leasehold interests arises solely
27 by virtue of a contract for public improvements or work executed under
28 the public works statutes of this state or of the United States between
29 the public owner of the property and a contractor.