

**WAC 388-835-0475 What requirements apply to capitalizing buildings, other real property items, components, improvements and leasehold improvements?** Buildings and other real property items, components, improvements and leasehold improvements must be capitalized if they are:

- (1) Required or authorized by the lease agreement;
- (2) Cost more than five hundred dollars; and
- (3) Involve at least one of the following:
  - (a) Increase the interior floor space of the structure;
  - (b) Increase or renew paved areas outside the structure that are either adjacent to the structure or provide access to it;
  - (c) Modification to the exterior or interior walls of the structure;
  - (d) Installation of additional heating, cooling, electrical, water-related, or similar fixed equipment;
  - (e) Landscaping or redecorating; or
  - (f) Increasing the structure's useful life by at least two years.

[Statutory Authority: RCW 71A.20.140. WSR 01-10-013, § 388-835-0475, filed 4/20/01, effective 5/21/01.]