

Parking fees

Are parking fees subject to sales tax?

It depends. Whether sales tax is due on parking fees is based on:

- The duration of the parking agreement.
- If designation of a parking spot is assigned.

Hourly parking at lots or garages

Parking fees for hourly parking in garages or parking lots are subject to sales tax. It makes no difference whether the parking structure is owned by the local government or a private company. It also makes no difference whether the lot is attended or unattended.

Attended lot or garage

When parking at an attended lot or garage, the posted hourly charges may state that sales tax is included in the price. This indicates the amount paid includes both the selling price and the sales tax. The selling price of the parking charge must be reported under retailing business and occupation (B&O) tax and sales tax.

Unattended lot or garage

When parking at an unattended lot or garage, the lot operator can back the tax out of the total amount paid. The operator will report retailing B&O tax and sales tax on the parking charge received.

City/county metered parking

Parking fees for metered parking on streets owned by the city or county are not subject to sales tax. Meters are traffic regulation devices, managed by the city or county. Parking fees collected by the city for on-street metered parking and on-street parking permits are not subject to B&O tax or sales tax.

Monthly parking – no designated parking space

Parking fees for monthly parking where the customer does not have an assigned space or stall are subject to sales tax. Parking may be limited to a certain floor or number of spaces, but this is not considered a designated space for exclusive use. Such parking is also not considered a rental of real estate. Parking fees collected by the owner are subject to retailing B&O tax and sales tax.

Parking in a designated parking space for 30 days or longer

Parking fees for a designated parking space rented for personal use for 30 days or longer are not subject to tax. Such parking is considered a rental of real estate and is not subject to B&O tax or sales tax.

Leasehold excise tax

Parking fees on assigned parking spaces from a federal, state, local, or tribal government for 30 days or longer are subject to leasehold excise tax.

References

RCW 82.04.050 – "Sale at retail," "retail sale."

RCW 82.04.390 - Exemptions—Amounts derived from sale of real estate.

WAC 458-20-189 - Sales to and by the state of Washington and municipal corporations, including counties, cities, towns, school districts, and fire districts.

WAC 458-20-118 - Sale or rental of real estate, license to use real estate.

ETA 3030.2009 – Parking fees as income for rental of real estate.



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