

# Special Notice

*Intended audience: Affordable housing developers.*

**June 12, 2024**

## Affordable Housing on Public Lands – LET Exemption

Effective June 6, 2024, Engrossed Substitute House Bill (ESSB) 2003 allows an exemption from the leasehold excise tax (LET) on leases of public lands used for affordable housing. The exemption applies when a lessee commits to both of the following:

- Renting or selling 100% of the units as permanently affordable for low- and moderate-income households.
- A lease term of 20 years or longer.

### How do I apply for the exemption?

People interested in this program should contact the [Department of Natural Resources](#) for more information about developing affordable housing on public land.

### Definitions

**Affordable housing** means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household's monthly income.

**Low-income household** means a single person, family, or unrelated persons living together whose adjusted income is at or below 80 percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States Department of Housing and Urban Development (US HUD).

**Moderate-income household** means a single person, family, or unrelated persons living together whose adjusted income is more than 80 percent but is at or below 115 percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the US HUD.

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**Public lands** means lands of the State of Washington administered by the Department of Natural Resources including but not limited to state lands, state forestlands, lands included in a state forestland pool, and aquatic lands. See [RCW 79.02.010](#) for additional information.

## More information

- For more information about the program, see the Department of Natural Resources' [Public Housing](#) webpage.
- [Chapter 82.29A RCW](#)
- [Engrossed Substitute House Bill 2003](#)
- [Leasehold excise tax](#)

## Questions?

For questions about the LET exemption, call the Taxpayer Account Administration Division at 360-705-6115.