

# Affordable Housing on Underdeveloped Lands Application for Sales and Use Tax Deferral - RCW 82.92

Effective June 9, 2022

See complete instructions on page 4.

## 1 Owner applying for deferral

Name:

Mailing address:

City:

State:

Zip:

Phone:

Tax reporting number (WA):

## 2 Contact person information (All correspondence will be directed to this person)

Name:

Mailing address:

City:

State:

Zip:

Phone:

Email:

## 3 Location of investment project

**Important:** This is the address and parcel number of the deferral project you are applying for on this form. If the address is unknown at the time of application, please provide as soon as the address is known. Your application will not be approved until you can provide a valid address for the deferral investment project.

**All taxes will be due if your deferral project is at another location/address.** Contact us if you have any questions.

County:

Address:

City:

State:

Zip:

Parcel number(s):

## 4 Detailed description of the property

If additional space is needed to answer this question, please attach additional pages.

Describe in detail the property, including parking lots and structures, currently on the proposed project location. (You may be asked to provide a schematic of the site including square footage of the parking area, structures, etc.):

## 5 Detailed description of affordable housing project

If additional space is needed to answer this question, please attach additional pages.

List and **describe in detail** the included structures that will be part of the deferral project once the deferral project is complete:

1. Do you have a conditional certificate of approval from a qualifying city?      Yes      No  
If yes, please provide a copy with your deferral application.

**Your deferral application will be denied if you do not have a conditional certificate of approval.**

## 6 Estimated investment project costs

Please include only those costs that will be paid for by the applicant.

**2. Affordable housing project:**

Date building permit will be issued:

**3. Total affordable housing costs:**

\$

**4. Estimated completion date:**

## 7 Statute of limitations

The schedule for the deferral/waiver/repayment of taxes deferred under this program on the purchase of goods or services is governed under the repayment provisions of RCW 82.92. With respect to any taxes you defer under this program, the statute of limitations period under RCW 82.32.050(4) and RCW 82.32.100(3) does not commence until the close of the tax year in which you incur a tax liability to repay any of the taxes deferred. Thus, the statute of limitations period under RCW 82.32.050(4) will not begin to run until the Department of Revenue is aware of a failure to meet the requirements of the deferral.

I have read and understand the legal requirements described above.

## 8 Use of deferral project

The investment project requires occupancy of 50 percent or more of the project by qualified households starting in the year the certificate of occupancy is issued, plus the next nine years. If program requirements are not maintained, the deferred taxes outstanding for this investment will be immediately due. The department will assess interest at the rate provided for delinquent taxes and penalties retroactively to the date of deferral.

5. Do you plan on operating this investment project in a qualified use for 10 years from the time the project is issued the certificate of occupancy?

Yes      No

6. If the answer to question 5 is "No", how long do you plan to operate this investment project with qualified use?

## 9 Audit records location

If your application is approved, a deferral certificate will be issued using the estimates from your application. Upon completion of the project, an auditor will verify that you are performing qualified activities at this facility. **The auditor may adjust the allowable deferral based on his or her findings. You will be billed for any purchases that do not qualify for the deferral and you did not pay tax at the time of purchase, plus applicable interest.**

To minimize inconvenience and the time it takes to complete an audit, please have the following records for the audit period available for your meetings with the auditor:

- Purchase invoices (for example, accounts payable, receipts).
- Supporting documentation for the construction, such as building permit issued for the deferral project and construction contracts.
- Original Sales and Use Tax Deferral Certificate.

Although most audits can be completed with the above records, additional documents may be required during the audit.

**Please complete the following information about the contact person and audit records location if this information is currently available:**

7. Contact person:
8. Phone:
9. Location of audit records:

## 10 Closing questions

How did you hear about deferrals?

## 11 Signatures

I certify under penalty of perjury under the laws of the State of Washington that the forgoing is true and correct.

Applicant's signature:

Title:

Printed name:

Date:

## General instructions

**Filing:** This application must be submitted to the Washington State Department of Revenue prior to the date the building permit is issued. A conditional certificate of program approval must be obtained from the qualifying city prior to applying for the tax deferral. The deferral application is located at [dor.wa.gov](http://dor.wa.gov). Applications cannot be accepted after June 30, 2032.

**Applicant** means an owner of underdeveloped property.

**Owner** means the property owner of record.

**City** means a city with a population of at least 135,000 and not more than 250,000 at the time the city initially establishes the deferral program.

**Eligible investment project** means an investment project that is located in a city and receiving a conditional certificate of program approval from the city.

**Investment project** means an investment in multifamily housing, including labor, services, and materials incorporated in the planning, installation, and construction of the project. "Investment project" includes investment in related facilities such as playgrounds and sidewalks as well as facilities used for business use for mixed-use development.

**Construction rules:** Applicant must provide a statement to the city in the application process that the project will be complete within 3 calendar years of approval of the city application or all deferred taxes are due. The city may extend for up to 24 consecutive months.

**Underdeveloped property** means land used as a surface parking lot for parking of motor vehicles off the street or highway, that is open to public use with or without charge.

**Use/report requirements:** The eligible investment project must maintain qualified use for the year in which the certificate of occupancy is issued plus the next nine years. If, after the department has issued a sales and use tax deferral certificate and the conditional recipient has received a certificate of occupancy, a portion of an investment project is changed or will be changed to disqualify the recipient for deferral eligibility, all deferred sales and use taxes are immediately due and payable, plus applicable interest.

An annual tax performance report is due May 31 for the year in which the certificate of occupancy is issued, plus the next nine years.

**Waiver of taxes:** If all program requirements have been met, the deferred sales/use tax is waived by the Department of Revenue after the tenth year. If requirements are not met, the deferred taxes are due.

**Certificate use:** The deferral certificate is valid only for qualifying purchases by the Certificate Holder at the investment project. The Certificate Holder and approved address are both stated on the certificate.

**Multifamily housing** means a building or a group of buildings having two or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitation or conversion of vacant, underutilized, or substandard buildings to multifamily housing. Other purchases may not qualify for the deferral.

**Questions:** Call (360) 534-1443

**Mail or Email to:**

Department of Revenue  
Audit Division  
PO Box 47474  
Olympia WA 98504-7474  
[DORDeferrals@dor.wa.gov](mailto:DORDeferrals@dor.wa.gov)