

Property Tax Exemption for Nonprofits: Administrative Offices of a Religious Organization

An administrative office of a religious organization may be eligible for a property tax exemption if it meets all of the following:

- Owned by the nonprofit religious organization.
- Used exclusively to administer the religious programs of the applicant organization.
- Includes real and personal property.
- Doesn't include property under construction or remodel.



Annual renewals due March 31

To keep your property tax exemption, you are required to submit an annual renewal. The Department of Revenue (department) sends a notice each year in January, reminding nonprofits to renew their exemption online (dor.wa.gov) prior to the Mar. 31 deadline.

If the department receives your renewal after Mar. 31, late fees of \$10.00 per month will be assessed. Failure to renew before Nov. 30, will result in the loss of the property tax exemption as of Jan. 1 of the current year.

Please recognize, when a nonprofit qualifies for a property tax exemption they must continue to meet the exemption criteria that allowed them to receive the tax benefit in the first place. If there is any change in the use or activity, including the cessation of use or the sale of property, you must notify the department to determine whether the new use is exempt.

Loan and rental

An administrative office of a religious organization may loan or rent the property to other nonprofit organizations or schools to conduct qualifying charitable activities on a single-use or hourly basis. Any rental income or donations received from the loan or rental cannot exceed maintenance and operation expenses for the portion of the property being loaned or rented.

If the property, or a portion of the property, is rented or loaned to another organization, for their use exclusively, it may jeopardize the exemption. For example, if an office in the building is rented out to a local marriage counselor on a month to month basis and the therapist is the only one that has access to that office while they are renting it, that portion of the property is not eligible for exemption and that portion of the property will be taxed.

Examples of qualifying charitable activities:

- Community club conducting a canned food drive for the local food bank.
- Nonprofit school conducting a free or low-cost adult literacy class.
- Community organizations holding free evening or weekend meetings designed to help individuals struggling with substance abuse.

The property may also be shared for nonexempt activities up to 50 days per year. However, only 15 of those 50 days may be used for commercial or business activities.

Examples of nonexempt activities:

- The local Chamber of Commerce conducting a monthly club meeting.
- Fraternal organization hosting a social event.
- A for-profit organization conducting an employee benefit seminar.

Examples of commercial or business activities:

- Music or fitness instructor conducting their own class for a fee.
- A for-profit weight loss program conducting group meetings.
- Church hosting a festival/fair where individuals and companies sell products or services.

Fundraising

Property exempt as an administrative office of a nonprofit religious organization cannot be used for fundraising activities.

Refunds for prior years

If you paid prior years' property taxes because of a mistake, oversight, or a lack of knowledge about this program, you may be eligible for a refund. You must meet all of the qualifications for the exemption as if you had applied at the time the application was due. A late fee will apply. In order to receive a refund, applications must be filed within three years of the date the taxes were due. Refunds will not be made beyond the three years.

Appeal process

After the department reviews your initial application and/or renewal, they will issue a determination of taxability. If you do not agree with the department's determination, you have the right to appeal to the Washington State Board of Tax Appeals (Board). Your appeal must be filed with the Board within 30 calendar days of the date the determination was mailed or emailed. You must allow for mailing time within the 30 day period. To obtain an appeal form, call the Board at 360-753-5446 or visit their website at bta.state.wa.us.

More information

[RCW 84.36.020](#)

[RCW 84.36.032](#)

[RCW 84.36.800](#)

[WAC 458-16-100](#)

[WAC 458-16-110](#)

[WAC 458-16-190](#)

Questions?

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