



2025 tax preference review: Disabled Veteran Adapted Housing

Legislative Auditor’s conclusion

The preference provides limited financial relief because few eligible veterans claim it.

Key points	Tax detail
<ul style="list-style-type: none">• The preference is available to disabled military veterans who receive an adapted housing grant from the federal Department of Veterans Affairs (VA).• A veteran who uses a VA grant can receive a state sales tax refund of up to \$2,500. The average grant-funded project likely includes about \$3,700 in state sales tax.• From 2017 through 2024, fewer than three beneficiaries claimed the preference. The combined total was 0.33% of the funds available.• More people were eligible: during this time, the VA awarded 252 qualifying grants to Washingtonians.• Veterans may be unaware of the preference. Two agencies post information on their websites but do not otherwise promote it to eligible veterans.	<p>Tax type: State sales tax</p> <p>Beneficiary savings: \$0 (2025-27)</p> <p>Expiration date: January 2028</p> <p>RCW: RCW 82.08.0207</p>

Read the full report: leg.wa.gov/jlarc/audits

Recommendation to the Legislature

1. **The Legislature should continue the tax preference.**
2. **The Legislature should modify the tax preference to more effectively provide financial relief to eligible disabled veterans.**
 - a. It should consult with the Washington Department of Veteran Affairs when considering changes to the preference.

Contact us

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