

State of Washington's Incremental Borrowing Rates for Leases and SBITAs

Last updated: 6/23/2025

Purpose: This table presents the interest rates agencies must use for leases and SBITAs in DebtBook when the contract doesn't have a stated interest rate. Select the interest rate based on the type of asset the agency has the right-to-use, the lease/subscription term (including optional extension periods), and the lease/SBITA start date.

Round the lease/subsription term up to the next whole number if needed (i.e., a lease with a 4.5 year term should use the interest rate for a 5 year term).

For Leases and SBITAs Starting Between	Lease Term (in Years)	Equipment, Software, or Other Assets Interest Rate	Building or Land Interest Rate
7/1/2021-12/31/2022	2 or less	0.21%	0.21%
7/1/2021-12/31/2022	3	0.29%	0.89%
7/1/2021-12/31/2022	4	0.39%	0.89%
7/1/2021-12/31/2022	3-10	0.69%	0.89%
7/1/2021-12/31/2022	11 or more	0.95%	2.13%
1/1/2023-12/31/2023	3 or less	3.74%	3.74%
1/1/2023-12/31/2023	4	3.80%	3.80%
1/1/2023-12/31/2023	5-6	3.86%	3.86%
1/1/2023-12/31/2023	7-9	3.94%	3.94%
1/1/2023-12/31/2023	10 or more	4.07%	4.07%
1/1/2024-12/31/2024	3 or less	3.97%	3.97%
1/1/2024-12/31/2024	4-5	3.94%	3.94%
1/1/2024-12/31/2024	6	3.96%	3.96%
1/1/2024-12/31/2024	7	3.98%	3.98%
1/1/2024-12/31/2024	10 or more	4.04%	4.04%
1/1/2025-12/31/2025	4 or less	3.12%	3.12%
1/1/2025-12/31/2025	5	3.16%	3.16%
1/1/2025-12/31/2025	6	3.21%	3.21%
1/1/2025-12/31/2025	7	3.26%	3.26%
1/1/2025-12/31/2025	10 or more	3.44%	3.44%

When should the interest rate on this table be used?

When the interest rate is not stated in the contract, the State's Incremental Borrowing Rate (table above) should be used based on the contract start date, type of lease and term. If the lease term is amended, the rate should be updated based on the date of the amendment and the remaining lease term.

Methodology:

The state's incremental borrowing rate for leases is based on the cost for agencies to purchase the asset with financing through the Office of the State Treasurer's (OST's) Certificates of Participation (COP) program.

<https://tre.wa.gov/financing-and-debt/get-financing/state-agency-financing>

These rates will be updated annually by OFM, which will be based on the fall State-Lease Purchase Program Sales.