

2020 Seattle City Council Budget Action

Agenda

Tab	Action	Option	Version
FAS	101	A	1

Budget Action Title: Pass CB 119683 amending due and payable provisions in the Business License (B&O) Tax to conform with State law

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Tom Mikesell

Council Bill or Resolution: CB 119683

Date		Total	LH	BH	KS	AP	DJ	MO	SB	TM	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Budget Action Description:

This budget action recommends passage of Council Bill (CB) 119683, which amends the City's business license tax (B&O tax) code to extend the tax return and payment date for annual filers of the B&O tax to April 15 of the year following the period covered by the return. The City currently requires, under SMC 5.55.040, that B&O tax returns and payments are due on or before the last day of the next month following the end of the reporting period covered by the return, which for annual filers is January 30 of the following year.

This change in filing date will shift some tax returns that would have been received in 2020 into the following year, resulting in a one-time loss of \$3.5 million as estimated by the Department of Finance and Administrative Services. The revenue impact of the changes made by this legislation is included in the revenue forecast supporting the Mayor's Proposed 2020 Budget. To continue to impose the B&O tax, RCW 35.90.090 requires cities that impose a business and occupation tax to adopt these changes to the model ordinance by January 1, 2020.