2020 Seattle City Council Budget Action

Tab	Action	Option	Version
TNCTAX	103	A	1

Budget Action Title: Substitute CB 119684 vD3 for vD2e and pass as amended

Ongoing: No   Has Budget Proviso: No

Has CIP Amendment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Amy Gore

Council Bill or Resolution: CB 119684

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

Budget Action Description:

This action substitutes version D3 of Council Bill (CB) 119684, shown in Attachment 1, for version D2e. The substitute bill includes clarifying corrections, technical changes, and removes the supplemental tax of six cents and increases the base Transportation Network Company (TNC) tax by six cents.

This action also passes CB 119684 as amended which creates a $0.57 per ride tax for TNC trips originating anywhere within the City of Seattle operated by TNC companies that provided at least 1 million rides in the preceding quarter. The tax will go into effect on July 1, 2020; revenues are anticipated beginning in October 2020.

Based on the estimated number of rides, a tax rate of $0.57, and a July 1, 2020 effective date, the proposed tax would generate an estimated $8.9 million in 2020. Only $1.5 million is appropriated to FAS in the 2020 Proposed Budget; and the remaining $7.3 million in revenue is in Finance General Reserves to be appropriated through a separate ordinance to SDOT, OH, OLS and FAS as described in the spending plan in Resolution 31914.

The legislation also amends several sections of Seattle Municipal Code (SMC) 5.55 to add the proposed TNC tax to existing general administrative provisions of the SMC, such as records preservation, rulemaking, and applicable violations and penalties, so that these provisions would also apply to the TNC tax.

CB 119684 includes a list of intended uses for the TNC tax revenues, including administrative costs, investments in affordable housing near transit, transportation and transit investments, and a driver conflict resolution center.