

2023 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
FG	501	A	001-2023

Budget Action Title: Amend and pass as amended CB 119950, increasing the JumpStart Payroll Expense Tax rates, add JumpStart funding in 2023 and 2024 to FG, FAS, HSD, SDOT, OED, SPR, and SPL in 2023 and 2024 for a variety of programs and services

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: Yes

Primary Sponsor: Kshama Sawant

Council Members:

Staff Analyst: Edin Sisic

Council Bill or Resolution: CB 119950

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	SN
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Budget Action Description:

This Council Budget Action (CBA) would amend and recommend passing as amended Council Bill 119950, which increases the payroll expense tax rates. The amended bill would increase the existing rates to generate an additional \$140.5 million in tax revenues annually. The increased payroll tax revenues would be used to offset the Payroll Expense Tax transfer to the General Fund (GF) as proposed in the 2023-2024 Proposed Budget from the Human Services Department (HSD), Office of Economic Development (OED), Seattle Department of Transportation (SDOT), Seattle Public Library (SPL), Seattle Parks and Recreation (SPR), Finance and Administrative Services (FAS) and Finance General (FG). Specifically, this CBA would add \$11.3 million JumpStart Fund to HSD, \$312,000 JumpStart Fund to OED, \$5.2 million JumpStart Fund to SDOT, \$3.5 million JumpStart Fund to SPL, \$10.2 million JumpStart Fund to SPR and \$109.1 million JumpStart Fund to FG.

This CBA increases JumpStart Fund spending by \$140.5 million in 2023, as summarized in Attachment B.

The proposed amendments to CB 119950 would increase the JumpStart tax rates to increase revenues by \$140.5 million annually, as shown in Attachment A and as summarized below:

Payroll \$7 million - \$100 million | Employee Compensation \$150,000 - \$400,000:
New rate would be 1.03 percent (currently 0.7 percent)

Payroll \$7 million - \$100 million | Employee Compensation over \$400,000
New rate would be 2.51 percent (currently 1.7 percent)

Payroll \$100 million - \$1 billion | Employee Compensation \$150,000 - \$400,000

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New rate would be 1.03 percent (currently 0.7 percent)

Payroll \$100 million - \$1 billion | Employee Compensation over \$400,000
New rate would be 2.80 percent (currently 1.9 percent)

Payroll over \$1 billion | Employee Compensation \$150,000 - \$400,000
New rate would be 2.07 percent (currently 1.4 percent)

Payroll over \$1 billion | Employee Compensation over \$400,000
New rate would be 3.54 percent (currently 2.4 percent)