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1	CITY OF SEATTLE
2	ORDINANCE 126933
3	COUNCIL BILL 119950
4 5 6 7 8 9	 AN ORDINANCE relating to taxation; increasing the tax rates of the payroll expense tax imposed on persons engaging in business in Seattle; and amending Section 5.38.030 of the Seattle Municipal Code. BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:
10	Section 1. Section 5.38.030 of the Seattle Municipal Code, enacted by Ordinance 126108,
11	is amended as follows:
12	5.38.030 Tax imposed—Rate
13	A. A payroll expense tax is hereby levied upon and shall be collected from every person
14	engaging in business within Seattle.
15	B. The amount of the payroll expense tax due shall be the payroll expense of the
16	business, subject to any deductions authorized under this Chapter 5.38, multiplied by the
17	following rates:
18	1. For businesses with payroll expense up to \$99,999,999.99, the rate shall be:
19	a. ((Seven-tenths)) 0.746 percent of the payroll expense of employees with
20	annual compensation of \$150,000 to \$399,999.99; and
21	b. ((One and seven-tenths)) 1.811 percent of the payroll expense of
22	employees with annual compensation of \$400,000 or more.
23	2. For businesses with payroll expense of \$100 million to \$999,999,999.99, the
24	rate shall be:
25	a. ((Seven-tenths)) 0.746 percent of the payroll expense of employees with
26	annual compensation of \$150,000 to \$399,999.99; and

1	b. ((One and nine-tenths)) 2.024 percent of the payroll expense of
2	employees with annual compensation of \$400,000 or more.
3	3. For businesses with payroll expense of \$1 billion or greater, the rate shall be:
4	a. ((One and four-tenths)) 1.492 percent of the payroll expense of
5	employees with annual compensation of \$150,000 to \$399,999.99; and
6	b. ((Two and four-tenths)) 2.557 percent of the payroll expense of
7	employees with annual compensation of \$400,000 or more.
8	C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not
9	make any deductions from employees' compensation to pay for this tax.
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1	Section 2. This ordinance shall take effect and be in force 30 days after its approval by
2	the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3	shall take effect as provided by Seattle Municipal Code Section 1.04.020.
4	Passed by the City Council the day of November, 2023,
5	and signed by me in open session in authentication of its passage this <u>21st</u> day of
6	November, 2023.
7 8	Debara frances President of the City Council
9	Approved / \Box returned unsigned / \Box vetoed this <u>1st</u> day of <u>December</u> , 2023.
10	Bruce Q. Hanel
11	Bruce A. Harrell, Mayor
12	Filed by me this 1st day of December , 2023.
13	& De
14	Scheereen Dedman, City Clerk
15	(Seal)