



# SEATTLE CITY COUNCIL

## Legislative Summary

Res 31747

Record No.: Res 31747

Type: Resolution (Res)

Status: Adopted

Version: 2

Ord. no:

In Control: City Clerk

File Created: 04/26/2017

Final Action: 05/05/2017

**Title:** A RESOLUTION expressing the City of Seattle's intent to adopt a progressive income tax targeting high-income households

**Notes:**

Date  
Filed with City Clerk: 5/5/2017

Mayor's Signature: 5/5/2017

**Sponsors:** Herbold, Harrell

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

**Attachments:**

**Drafter:** patrick.wigren@seattle.gov

**Filing Requirements/Dept Action:**

**History of Legislative File**

**Legal Notice Published:**  Yes  No

| Version: | Acting Body:  | Date:      | Action:            | Sent To:                      | Due Date: | Return Date: | Result: |
|----------|---|------------|--------------------|-------------------------------|-----------|--------------|---------|
| 1        | City Clerk  | 04/27/2017 | sent for review    | Council<br>President's Office |           |              |         |
|          | <b>Action Text:</b> The Resolution (Res) was sent for review. to the Council President's Office   |            |                    |                               |           |              |         |
|          | <b>Notes:</b>   |            |                    |                               |           |              |         |
| 1        | Council President's Office  | 04/27/2017 | sent for review    | Full Council                  |           |              |         |
|          | <b>Action Text:</b> The Resolution (Res) was sent for review. to the Full Council   |            |                    |                               |           |              |         |
|          | <b>Notes:</b>   |            |                    |                               |           |              |         |
| 1        | Full Council  | 05/01/2017 | referred           | Full Council                  |           |              |         |
|          | <b>Action Text:</b> The Resolution (Res) was referred. to the Full Council  |            |                    |                               |           |              |         |
|          | <b>Notes:</b>   |            |                    |                               |           |              |         |
| 1        | Full Council  | 05/01/2017 | adopted as amended |                               |           |              | Pass    |
|          | <b>Action Text:</b> The Motion carried, the Resolution (RES) was adopted as amended by the following vote, and the President signed the Resolution: |            |                    |                               |           |              |         |
|          | <b>Notes:</b> <u>ACTION 1:</u>  |            |                    |                               |           |              |         |

Motion was made and duly seconded to adopt Resolution 31747.

ACTION 2:

Motion was made by Councilmember Herbold, duly seconded and carried, to amend Resolution 31747, by substituting version 2 for version 1e.

ACTION 3:

Motion was made and duly seconded to adopt Resolution 31747 as amended.

In Favor: 8 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember O'Brien, Councilmember Sawant

Opposed: 0

|   |            |            |                                    |            |
|---|------------|------------|------------------------------------|------------|
| 2 | City Clerk | 05/03/2017 | submitted for<br>Mayor's signature | Mayor      |
| 2 | Mayor      | 05/05/2017 | Signed                             |            |
| 2 | Mayor      | 05/05/2017 | returned                           | City Clerk |
| 2 | City Clerk | 05/05/2017 | attested by City<br>Clerk          |            |

Action Text: The Resolution (Res) was attested by City Clerk.

Notes:

---

CITY OF SEATTLE

RESOLUTION 31747

A RESOLUTION expressing the City of Seattle's intent to adopt a progressive income tax targeting high-income households

WHEREAS, Seattle is a growing and prosperous city that can offer great schools, good jobs, and healthy communities for all, and yet our City faces many urgent challenges, including a homelessness state of emergency, an affordable housing crisis, overcrowded classrooms, education equity and racial achievement gaps, inadequate provision of mental health services, and severe traffic congestion; and

WHEREAS, taxes are required to support the basic functions of municipal government, and the tax code is as much an expression of our values as are the public goods and services we choose to fund with the resulting revenue; and

WHEREAS, in Washington State, according to the Institute on Taxation and Economic Policy (ITEP), households with incomes below \$21,000 paid on average 16.8% of their income in state and local taxes in 2015, whereas households with income in excess of \$500,000 paid only 2.4%, making Washington State's tax code the most regressive in the nation; and

WHEREAS, our state and local governments have been unduly and unnecessarily reliant on sales tax, property tax, business and occupation tax, and other regressive taxes; and

WHEREAS, our upside-down tax system deepens poverty, diminishes opportunity for low and middle-income families, disproportionately harms communities of color, hinders efforts toward establishing a more equitable city, and protects and reinforces the privilege of the wealthy; and

1 WHEREAS, without progressive revenue tools, Seattle is in a weak position to respond to  
2 federal budget cuts proposed by the Trump administration, which could eliminate  
3 millions of dollars per year from Seattle’s budget for housing and human services and  
4 hundreds of millions from regional transit projects; and

5 WHEREAS, Seattle’s robust economic growth has created significant wealth and opportunity,  
6 but has also exacerbated the housing affordability crisis, which is compounding the  
7 financial strain on low- and middle-income households; and

8 WHEREAS, the City of Seattle can pioneer a legal pathway and build political momentum to  
9 enable the State of Washington and other local municipalities to put in place progressive  
10 tax systems; and

11 WHEREAS, the “Trump Proof Seattle” Coalition has called for a 1.5% tax on adjusted gross  
12 income in excess of \$250,000 per year, estimating that this would raise over  
13 \$125,000,000 per year in the City of Seattle; and

14 WHEREAS, revenue from such a systemic change in taxation could be dedicated to lowering the  
15 property tax burden and the impact of other regressive taxes; replacing federal funding  
16 potentially lost through Trump budget cuts; and providing public services, including  
17 housing, education, and transit; creating green jobs and meeting carbon reduction goals;  
18 and

19 WHEREAS, in 2010 Seattle residents voted by a 63% majority in support of imposing a state-  
20 wide income tax on high-income households; and

21 WHEREAS, as there are no cities or counties currently imposing an income tax in a state that  
22 does not also impose an income tax, the City of Seattle would need to establish an

1 administrative mechanism to ensure the accurate and enforceable collection of income  
2 tax revenues; and

3 WHEREAS, these circumstances underscore the need for care in writing such an ordinance, and  
4 also for urgency in passing it, so that this vital new revenue tool be available as soon as  
5 possible; NOW, THEREFORE,

6 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**  
7 **MAYOR CONCURRING, THAT:**

8 Section 1. The Seattle City Council intends to begin consideration of a progressive  
9 income tax ordinance by May 31, 2017, with the goal of Full Council passage by July 10, 2017.

10 Section 2. The Council, Executive, the City Attorney, and members of the Trump Proof  
11 Seattle Coalition will work together to craft the ordinance, and may engage outside legal counsel  
12 as needed.

13 Section 3. Components of this legislation that need to be determined include:

- 14 a. What types of income can and will be taxed;  
15 b. The threshold above which income is taxed, and/or below which households are exempted  
16 from the tax;  
17 c. At what rate (s) income is taxed;  
18 d. The details of the distribution of the revenue so raised; and  
19 e. The administrative mechanisms to ensure the accurate and enforceable collection of income  
20 tax revenues.

21 Section 4. The guiding principle in crafting this legislation will be to chart the strongest  
22 possible progressive income tax model, to exercise fully the City's local authority, and to provide  
23 robust progressive revenue tools for municipalities throughout Washington State. In making

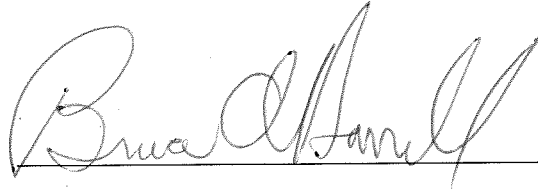
1 decisions about the aforementioned components of legislation, legal viability will be the primary  
2 consideration.

3

1 Adopted by the City Council the 1<sup>st</sup> day of May, 2017,

2 and signed by me in open session in authentication of its adoption this 1<sup>st</sup> day of

3 May, 2017.

4 

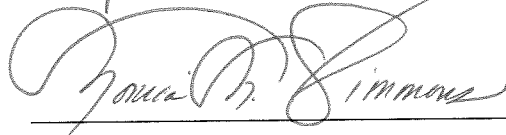
5 President \_\_\_\_\_ of the City Council

6 The Mayor concurred the 5<sup>th</sup> day of MAY, 2017.

7 

8 Edward B. Murray, Mayor

9 Filed by me this 5<sup>th</sup> day of MAY, 2017,

10 

11 Monica Martinez Simmons, City Clerk

12 (Seal)