

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to taxation; updating tax return and payment dates; and amending Section 5.55.040 of the Seattle Municipal Code.

Summary and background of the Legislation:

During the 2019 regular session, the Washington State Legislature enacted HB 1059, extending the business and occupation tax return filing due date for annual filers; amending RCW 82.32.045 and 35.102.070; and creating new sections. As required by RCW 35.90.080, a committee of cities has worked with the Association of Washington Cities to amend the model ordinance that provides reporting periods for city business and occupation tax returns.

Under Seattle Municipal Code (SMC) Section 5.55.040, the City currently provides reporting periods for monthly, quarterly, and annual returns.

Under RCW 35.90.090, cities that impose a general business and occupation tax license must adopt the mandatory provisions of the model ordinance. Accordingly, the bill adopts the model ordinance as required by RCW 35.90.090 and extends the business and occupation tax return filing due date for annual filers.

2. CAPITAL IMPROVEMENT PROGRAM

a. Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? Yes No

Budget program(s) affected:				
Appropriation change (\$):	General Fund \$		Other \$	
	2020	2021	2020	2021
		0		0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2020	2021	2020	2021
	(\$3,500,000)	0		0

Positions affected:	No. of Positions		Total FTE Change	
	2020	2021	2020	2021
			0	

b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
 None.

c. Is there financial cost or other impacts of *not* implementing the legislation?

Yes. Under RCW 35.90.090, cities that impose a general business and occupation tax license must adopt the mandatory provisions of the model ordinance. A city that does not comply with the model ordinance may not enforce its general business licensing requirements on any person until the date that the mandatory provisions of the model ordinance take effect within the city.

3.e. Revenues/Reimbursements

 This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2020 Revenue	2021 Estimated Revenue
General Fund (00100)	-	B&O Tax Receipts	(\$3,500,000)	
TOTAL				

Is this change one-time or ongoing? The effect of this legislated change is a one-time shift of payments by annual filers in 2021 from the January/February time-frame to the April/May timeframe. These revenues, which would have been accrued to 2020, will now appear in the year in which they were paid, 2021. Thereafter, there will be no effect from this legislated change in payment date.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?
 No.

b. Is a public hearing required for this legislation?
 No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
 No.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

e. Does this legislation affect a piece of property?

No.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

This legislation does not impact vulnerable or historically disadvantaged communities. Under current law, the City currently provides that annual tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return. For annual filers, tax payments, the adoption of the model ordinance provisions in this bill will extend the due date for returns and payment to April 15th of the year immediately following the end of the period covered by the return. Businesses in vulnerable or historically disadvantaged communities that file annual return would benefit from the extended due date.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

N/A

List attachments/exhibits below: