

Dan Eder
Date: 6/25/20
Version: 1

Amendment 1
to
CB #119810 – Payroll Expense Tax
Sponsor: CM Herbold and CM Sawant
Effective Date

On line 1 of page 22, amend the following as shown:

Section 13. Sections 1 through 11 of this ordinance shall take effect on ~~January 1,~~
~~2021~~August 1, 2020.

On line 1 of page 11, amend the following as shown:

5.38.060 Payroll expense tax—When due

The payroll expense tax imposed by this Chapter 5.38 shall be due and payable on a quarterly basis in accordance with Section 5.55.040—except that the tax shall be due and payable on an annual basis for 2020 and the measure of the tax shall be prorated based on the effective date of the tax. Notwithstanding Section 5.55.040, the tax due for 2020 and 2021 shall be payable on the same date that the tax payment for the fourth quarter of 2021 is due. The Director may use discretion to assign businesses to an annual reporting period. Forms for such filings shall be prescribed by the Director. Persons discontinuing their business activities in Seattle shall report and pay the payroll expense tax at the same time as they file their final business license tax return under Chapter 5.45.

Effect: This amendment would change the imposition date of the Payroll Expense (“Jump Start”) Tax from January 1, 2021 to August 1, 2020. The amendment would generate an estimated \$74.5M in additional City revenue that would be collected on February 1, 2022.