

## 2019 - 2020 Seattle City Council Green Sheet

Ready for Notebook

| Tab | Action | Option | Version |
|-----|--------|--------|---------|
| 30  | 4      | B      | 1       |

**Budget Action Title:** Do not pass CB 119377 allowing a B&O tax deduction for certain revenues to support life sciences research and add \$150,000 GF in 2019 to OSE

Ongoing: No

Has CIP Amendment: No                      Has Budget Proviso: No

Primary Sponsor: O'Brien, Mike

Councilmembers:

Staff Analyst: Yolanda Ho

Council Bill or Resolution: 119377

| Date | Total   | BC | SB | TM | LG | BH | LH | RJ | DJ | MO | KS |
|------|---------|----|----|----|----|----|----|----|----|----|----|
|      | Yes     |    |    |    |    |    |    |    |    |    |    |
|      | No      |    |    |    |    |    |    |    |    |    |    |
|      | Abstain |    |    |    |    |    |    |    |    |    |    |
|      | Absent  |    |    |    |    |    |    |    |    |    |    |

### Summary of Dollar Effect

*See the following pages for detailed technical information*

|                                            | 2019 Increase (Decrease) | 2020 Increase (Decrease) |
|--------------------------------------------|--------------------------|--------------------------|
| <b>General Subfund</b>                     |                          |                          |
| <b>General Subfund Revenues</b>            | \$150,000                | \$0                      |
| <b><u>General Subfund Expenditures</u></b> | <u>\$150,000</u>         | <u>\$0</u>               |
| <b>Net Balance Effect</b>                  | <b>\$0</b>               | \$0                      |
|                                            |                          |                          |
| <b>Total Budget Balance Effect</b>         | <b>\$0</b>               | <b>\$0</b>               |

#### **Budget Action description:**

This green sheet would add \$150,000 GF in 2019 to the Office of Sustainability and Environment's proposed budget. This funding would support the proposed Climate Director position.

To fund this proposal, this green sheet recommends that the Committee not pass CB 119377, which would reestablish a Business License Tax (B&O Tax) deduction for income received by life science research organizations from grants, contracts, and sub-awards from government sources. The City offered this same deduction for 5 years (June 2012 – June 2017) under Ordinance 123877. A do not pass action on CB 119377 will increase GF revenues from the B&O Tax in 2019 by \$400,000.

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Green sheets 33-6-C-1 and 33-6-D-1 each propose to spend a total of \$250,000 from the \$400,000 of increased B&O Tax revenues (\$150,000 remaining) in 2019. This green sheet would spend the remaining \$150,000 in 2019, and therefore this green sheet is not in conflict with green sheet 33-6-C-1 or 33-6-D-1.

This green sheet conflicts with green sheet 42-8-A-1, which proposes to use all \$400,000 in 2019 of increased B&O Tax revenues for different purposes. If green sheet 42-8-A-1 passes, this green sheet would not be balanced. It also potentially conflicts with green sheet 42-1-A-1, which may use all \$400,000 in 2019 of increased B&O Tax revenues for different purposes. If green sheet 42-1-A-1 passes, this green sheet could be unbalanced.

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### Budget Action Transactions

**Budget Action Title:** Do not pass CB 119377 allowing a B&O tax deduction for certain revenues to support life sciences research and add \$150,000 GF in 2019 to OSE

| # | Transaction Description                                               | Position Title | Number of Positions | FTE | Dept | BCL or Revenue Source                    | Summit Code | Fund  | Year | Revenue Amount | Expenditure Amount |
|---|-----------------------------------------------------------------------|----------------|---------------------|-----|------|------------------------------------------|-------------|-------|------|----------------|--------------------|
| 1 | Increase GF support for Climate Director position                     |                |                     |     | OSE  | Office of Sustainability and Environment | BO-SE-X1000 | 00100 | 2019 |                | \$150,000          |
| 2 | Increase revenue from B&O tax on life sciences research organizations |                |                     |     | GSF  | Business & Occupation Tax (100%)         | 316010      | 00100 | 2019 | \$150,000      |                    |