

# 2021 Seattle City Council Budget Action

Council Budget Action: Agenda

| Tab | Action | Option | Version |
|-----|--------|--------|---------|
| BLG | 028    | A      | 001     |

**Budget Action Title:** Pass CB 119932 – TNC Tax Threshold Amendment Ordinance

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Amy Gore

Council Bill or Resolution: CB 119932

| Date |         | Total | LH | TM | KS | AP | DJ | DS | AL | TM | LG |
|------|---------|-------|----|----|----|----|----|----|----|----|----|
|      | Yes     | 0     |    |    |    |    |    |    |    |    |    |
|      | No      | 0     |    |    |    |    |    |    |    |    |    |
|      | Abstain | 0     |    |    |    |    |    |    |    |    |    |
|      | Absent  | 0     |    |    |    |    |    |    |    |    |    |

## Summary of Dollar Effect

See the following pages for detailed technical information

|                                    | 2021 Increase (Decrease) | 2022 Increase (Decrease) |
|------------------------------------|--------------------------|--------------------------|
| <b>General Fund</b>                |                          |                          |
| <b>General Fund Revenues</b>       | \$0                      |                          |
| <b>General Fund Expenditures</b>   | \$0                      |                          |
| <b>Net Balance Effect</b>          | <b>\$0</b>               |                          |
| <b>Total Budget Balance Effect</b> | <b>\$0</b>               |                          |

## Budget Action Description:

This legislation would amend SMC 5.39.050 to decrease the applicability threshold for the Transportation Network Company (TNC) tax from 1,000,000 trips per quarter to 200,000 trips per quarter.

In December of 2019, Council passed Ordinance 125971, imposing a new tax of \$0.57 per trip provided by any TNC which reported over 1,000,000 trips in the previous quarter. At the time of passage, both Uber and Lyft were meeting this threshold and the anticipated revenues from the tax were \$8.9 million in 2020 and \$19.9 million in 2021. Due to COVID-19, the number of TNC trips has decreased dramatically; and no company is meeting the current threshold. Therefore, no TNC tax revenue has been collected in 2020. It is anticipated that with the change of the applicability threshold, the tax would generate \$5.0 million in 2021, consistent with assumptions in the 2021 Proposed Budget.

## Budget Action Transactions

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| # | Transaction Description | Position Title | Number of Positions | FTE | Dept | BSL | Fund | Year | Revenue Amount | Expenditure Amount |
|---|-------------------------|----------------|---------------------|-----|------|-----|------|------|----------------|--------------------|
|---|-------------------------|----------------|---------------------|-----|------|-----|------|------|----------------|--------------------|