

CITY OF SEATTLE

ORDINANCE 127351

COUNCIL BILL 121114

AN ORDINANCE relating to taxation; increasing the threshold above which an out-of-city business must obtain a business license tax certificate, pursuant to changes in the state model ordinance on general business license requirements; and amending Section 5.55.030 of the Seattle Municipal Code.

WHEREAS, the Municipal Business Licensing Model Ordinance (RCW 35.90.080) created a minimum income threshold above which out-of-city businesses must obtain a business license tax certificate; and

WHEREAS, the current threshold is \$2,000; and

WHEREAS, the Municipal Business Licensing Model Ordinance will, as of January 1, 2026, update that threshold to \$4,000 and provide an inflation-based adjustment every four years; and

WHEREAS, local amendments implementing the Municipal Business Licensing Model Ordinance must be adopted by cities with the same effective date (RCW 35.90.080(1)(c)); NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.55.030 of the Seattle Municipal Code, last amended by Ordinance 126880, is amended as follows:

5.55.030 License requirements—Minimum license threshold

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1. Through December 31, 2025, any ((Any)) person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the City is equal to

1 or less than \$2,000 and who does not maintain a place of business within the City shall be
2 exempt from the business license tax certificate requirements in this Chapter 5.55.

3 2. Beginning January 1, 2026, any person or business whose annual value of
4 products, gross proceeds of sales, or gross income of the business in the City is equal to or less
5 than \$4,000 and who does not maintain a place of business within the City shall be exempt from
6 the business license tax certificate requirements in this Chapter 5.55. The threshold amount will
7 be adjusted every 48 months on January 1, by an amount equal to the increase in the Consumer
8 Price Index (CPI) for West Urban, All Urban Consumers (CPI-U) for each 12-month period
9 ending on June 30 as published by the United States Department of Labor Bureau of Labor
10 Statistics or successor agency. To calculate this adjustment, the current rate will be multiplied by
11 one plus the cumulative four-year (48-month) CPI increase using each 12-month period ending
12 on June 30 of each prior year, and rounded to the nearest \$100. However, if any of the annual
13 CPI increases are more than five percent, a five percent increase will be used in computing the
14 annual basis, and if any of the annual CPI decreased during the 48-month period, a zero percent
15 increase will be used in computing the annual basis.

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Section 2. This ordinance shall take effect on January 1, 2026.

Passed by the City Council the 21st day of November, 2025,
and signed by me in open session in authentication of its passage this 21st day of
November, 2025.



President _____ of the City Council

Approved / returned unsigned / vetoed this 24th day of November, 2025.



Bruce A. Harrell, Mayor

Filed by me this 24th day of November, 2025.



Scheereen Dedman, City Clerk

(Seal)