

Amendment 1 Version 1 to CB 120689 - LEG JumpStart Payroll Expense Tax Deduction Extension

Sponsor: Councilmember Mosqueda

Technical Amendment

Effect: Council Bill (CB) 120689 would extend an existing deduction from the Payroll Expense Tax, for three years, that applies to compensation between \$150,000 to \$399,999.99 at non-profit healthcare entities. This exemption has been in place since the tax was enacted.

This CB would also give the Director authority to adjust that range based on inflation. This technical amendment would make a correction to the new language that allows the Director to adjust for inflation, making clear that this applies prospectively.

Double underline indicates language added by this amendment.

Amend Section 2 to CB 120689 as follows:

Section 2. Section 5.38.070 of the Seattle Municipal Code, enacted by Ordinance 126108,

is amended as follows:

5.38.070 Adjustments for inflation

A. Beginning on January 1, 2022, and on January 1 of every year thereafter, the Director shall adjust in the manner described in subsection 5.38.070.B the following dollar amounts:

1. The amount of the dollar thresholds in Section 5.38.030; (~~and~~)
2. The amount of the exemption in subsection 5.38.040.A.1(~~-~~) ; and
3. The amount of the dollar thresholds in Section 5.38.045.

B. The amounts listed in subsection 5.38.070.A shall increase commensurate with the rate of growth of the prior year's June-to-June Consumer Price Index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor. The amounts calculated shall be rounded to the nearest whole dollar.

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C. The adjustment for inflation that pertains to the amount of the deduction in Section 5.38.045 is calculated consistently with subsection 5.38.070.A. However, the inflation adjustment that pertains to the deduction in Section 5.38.045 applies prospectively only, commencing on January 1, 2024.

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