

CITY OF SEATTLE
ORDINANCE 127144
COUNCIL BILL 120895

AN ORDINANCE relating to gambling taxes; eliminating the gambling tax on bingo games and raffles; exempting revenues from bingo games and raffles conducted by charitable or nonprofit organizations from the business license tax; removing the monthly installment requirement for punch board and pull tab taxes; and amending Sections 5.45.090, 5.52.030, and 5.55.040 of the Seattle Municipal Code.

WHEREAS, under the Seattle Municipal Code, legal gambling activities are taxed under Chapter 5.52; and

WHEREAS, bingo games and raffles are among the gambling activities that are taxed by the City; and

WHEREAS, the tax on bingo games and raffles currently costs more to administer than it collects in annual receipts; and

WHEREAS, the tax on raffles conducted by nonprofit organizations reduces the proceeds available to the nonprofit organizations and can be difficult to administer;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.45.090 of the Seattle Municipal Code, last amended by Ordinance 126236, is amended as follows:

5.45.090 Exemptions

The provisions of this Chapter 5.45 and the licensing requirement in Section 5.55.030 shall not apply to the following:

* * *

K. Gross receipts taxed under other Seattle Municipal Code sections. This Chapter 5.45 shall not apply to any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of Chapter 5.48 or subsection(~~s 5.52.030.B.1 and 5.52.030.B.3 (bona fide charitable or nonprofit organization gambling activity, bingo, raffle, and fundraising activities))~~) 5.52.030.B.2, as amended.

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DD. Bingo and non-profit raffles. This Chapter 5.45 shall not apply to amounts derived as receipts from bingo games, or from raffles, conducted by any bona-fide charitable organization or bona-fide nonprofit organization.

Section 2. Section 5.52.030 of the Seattle Municipal Code, last amended by Ordinance 123063, is amended as follows:

5.52.030 Tax levied

A. In accordance with chapter 9.46 RCW, as amended, a tax or fee is levied upon all persons, corporations, associations, or organizations conducting or operating within the City any of the following gambling activities (~~(authorized by RCW 9.46.010, as amended, and RCW 9.46.033, as follows))~~):

1. For the conduct of amusement games, a tax equal to two percent of the net gambling receipts; and

2. For punch boards and pull-tabs, as defined in RCW 9.46.0273, except for those punch boards and pull-tabs taxed under subsection (~~(5.52.030.B.2))~~ 5.52.030.B.1, a tax equal to five percent of the gross gambling receipts.

B. In accordance with chapter 9.46 RCW, as amended, a tax or fee is levied on all bona fide charitable or nonprofit organizations, as defined in RCW 9.46.0209, conducting or operating in the City any of the following gambling activities, as follows:

~~((1. Upon and for the conduct of bingo games, as defined in RCW 9.46.0205, and raffles, as defined in RCW 9.46.0277, a tax equal to five percent of the net gambling receipts; and~~

~~2))~~1. For punch boards and pull-tabs, as defined in RCW 9.46.0273, a tax equal to ten percent of the net gambling receipts; and

~~((3))~~2. Upon and for the conduct of a fund-raising event, as defined in RCW 9.46.0233, that is not a bingo game or a raffle, a tax equal to ten percent of the net gambling receipts.

C. Except, no tax shall be imposed:

1. On ~~((bingo or))~~ amusement games when such activity, or any combination thereof, is conducted by a bona fide charitable or nonprofit organization as defined in RCW 9.46.0209, when such organization has no paid operating or management personnel and when net gambling receipts from ~~((bingo or))~~ amusement games or any combination thereof, do not exceed \$5,000 per year; or

~~((2. On the first \$10,000 of net gambling receipts from raffles conducted by any bona fide charitable or nonprofit organization as defined in this Chapter 5.52;~~

~~3))~~2. On the conduct of amusement games at the Seattle Center pursuant to a concession agreement with the City.

Section 3. Section 5.55.040 of the Seattle Municipal Code, last amended by Ordinance 126880, is amended as follows:

**5.55.040 When due and payable—Reporting periods—Monthly, quarterly, and annual
returns—Threshold provisions—Computing time periods—Failure to file returns**

A. Other than any annual license fee or registration fee assessed under this Chapter 5.55, the taxes imposed by Chapters 5.35 (Commercial Parking Tax), 5.38 (Payroll Expense Tax), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.48 (Business Tax—Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53 (Sweetened Beverage Tax) shall be due and payable in quarterly installments. The Director may use discretion to assign businesses to a monthly or annual reporting period depending on the tax amount owing or type of tax. ~~((Taxes imposed by subsections 5.52.030.A.2 and 5.52.030.B.2 for punch boards and pull tabs shall be due and payable in monthly installments.))~~ Tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return. Effective January 1, 2021, tax returns and payments are due on or before the time as provided in RCW 82.32.045(1), (2), and (3).

* * *

Section 4. This ordinance shall take effect as provided by Seattle Municipal Code
Sections 1.04.020 and 1.04.070.

Passed by the City Council the 21st day of November, 2024,
and signed by me in open session in authentication of its passage this 21st day of
November, 2024.



President _____ of the City Council

☒ Approved / ☐ returned unsigned / ☐ vetoed this 26th day of November, 2024.



Bruce A. Harrell, Mayor

Filed by me this 27th day of November, 2024.



Scheereen Dedman, City Clerk

(Seal)