

Amendment 17
to
CB #119810 – Payroll Expense Tax
Sponsor: Sawant

On line 9 of page 8, amend the following as shown:

5.38.030 Tax imposed—Rate

A. A payroll expense tax is hereby levied upon and shall be collected from every person engaging in business within Seattle.

B. The amount of the payroll expense tax due shall be the payroll expense of the business, subject to any deductions authorized under this Chapter 5.38, multiplied by the following rates:

1. For businesses with payroll expense up to \$1 billion, the rate shall be:

a. ~~Seven tenths~~0.91 percent of the payroll expense of employees with annual compensation of \$150,000 to \$499,999; and

b. ~~One and four tenths~~1.82 percent of the payroll expense of employees with annual compensation of \$500,000 or more.

2. For businesses with payroll expense greater than \$1 billion, the rate shall be:

a. ~~One and four tenths~~1.82 percent of the payroll expense of employees with annual compensation of \$150,000 to \$499,999; and

b. ~~Two and one tenth~~2.73 percent of the payroll expense of employees with annual compensation of \$500,000 or more.

C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not make any deductions from employees' compensation to pay for this tax.

Tom Mikesell

Date: 6/26/20

Version: 1

Effect: To generate an additional \$52 million in estimable annual revenue, this amendment would increase the rates, as follows:

- Business payroll \$7 million to \$999.9 million:
 - Compensation \$150,000 - \$500,000: 0.91%
 - Compensation \$500,000 and above: 1.82%
- Business payroll \$1 billion and above:
 - Compensation \$150,000 - \$500,000: 1.82%
 - Compensation \$500,000 and above: 2.73%

The newly generated revenues are associated with an amendment to CB119811, which adds Green New Deal investments.