

Dan Eder
Date: 6/29/20
Version: 1

Amendment 3
to
CB #119810 – Payroll Expense Tax
Sponsor: CM Sawant
Eliminate Sunset Provisions

On line 4 of page 1, amend the following as shown:

..title

AN ORDINANCE relating to taxation; imposing a payroll expense tax on persons engaging in business in Seattle; adding a new Chapter 5.38 to the Seattle Municipal Code; and amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, 5.55.230, and 6.208.020 of the Seattle Municipal Code.

..body

~~WHEREAS, the City Council intends to revisit the tax imposed by this new Chapter 5.38 in the event that an organization with overlapping jurisdiction implements a progressive revenue source that provides City of Seattle (“City”) funding at levels equivalent to those generated through this payroll expense tax; and~~

WHEREAS, on March 11, 2020, the World Health Organization announced that the novel coronavirus (COVID-19) is officially a global pandemic; and

On line 1 of page 12, amend the following as shown and change the section numbering accordingly:

5.38.090 Tax part of operating overhead

It is not the intention of this Chapter 5.38 that the taxes herein levied upon persons engaging in business be construed as taxes upon the customers of such businesses, but that taxes shall be levied upon, and collectible from, the person engaging in the business activities herein

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designated and that such taxes or fees shall constitute a part of the operating overhead or cost of doing business of such persons.

5.38.100 Maintaining a level playing field

~~To maintain a level playing field for the payroll expense tax imposed in this Chapter 5.38, the Council intends to monitor proposals for any taxes imposed by King County or the State of Washington on progressive revenue, including payroll expense taxes. The City intends to work with King County and the State of Washington to consider amendments to the tax imposed by this Chapter 5.38 in the event that businesses become subject to future significant progressive taxes at the county or state level.~~

5.38.110 Rules and regulations

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.38 for the purpose of carrying out the provisions of this Chapter 5.38, including but not limited to rules to determine the payroll expense attributable to work performed and services rendered by employees in Seattle.

5.38.120 Sunset

~~For all periods from January 1, 2021, through December 31, 2030, a payroll expense tax as imposed by this Chapter 5.38 is hereby levied. No business shall owe a payroll expense tax for payroll expenses after December 31, 2030, and this Chapter 5.38 shall be limited to determining and collecting the payroll expense tax due for all business activities prior to December 31, 2030.~~

Effect: This amendment would eliminate the sunset provisions. The Payroll Excise (“Jump Start”) Tax would remain in effect unless and until the City passes separate, future legislation to end the tax.