

Amendment 18
to
CB #119810 – Payroll Expense Tax
Sponsor: CM Morales
Maintain a Level Playing Field

On line 7 of page 12, amend the following as shown:

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. In the event that the Director of Finance and Administrative Services files a report with the City Clerk indicating that King County or the State of Washington have passed a new corporate tax that will generate an equivalent amount of net City revenues to the City tax revenues generated by this Chapter 5.38, then no business shall owe a payroll expense tax for payroll expenses beginning one year from the imposition date of such new corporate tax, and this Chapter 5.38 shall thereafter be limited to determining and collecting the payroll expense tax due for all business activities.

Effect: This amendment would automatically sunset the Payroll Expense (“Jump Start”) Tax one year after the imposition date by King County or the State of Washington of new a new form of corporate tax that will generate an equivalent amount of City taxes to the Jump Start Tax. The City could use the one year period to evaluate the new King County or State of Washington corporate tax.