

2021 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
BLG	028	A	002

Budget Action Title: Pass CB 119932 – TNC Tax Threshold Amendment Ordinance

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Amy Gore

Council Bill or Resolution: CB 119932

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Budget Action Description:

This legislation would amend SMC 5.39.050 to decrease the applicability threshold for the Transportation Network Company (TNC) tax from 1,000,000 trips per quarter to 200,000 trips per quarter.

In December of 2019, Council passed Ordinance 125971, imposing a new tax of \$0.57 per trip provided by any TNC which reported over 1,000,000 trips in the previous quarter. At the time of passage, both Uber and Lyft were meeting this threshold and the anticipated revenues from the tax were \$8.9 million in 2020 and \$19.9 million in 2021. Due to COVID-19, the number of TNC trips has decreased dramatically; and no company is meeting the current threshold. Therefore, no TNC tax revenue has been collected in 2020. It is anticipated that with the change of the applicability threshold, the tax would generate \$5.0 million in 2021, consistent with assumptions in the 2021 Proposed Budget.