

2021 Seattle City Council Budget Action

Council Budget Action: Draft

Tab	Action	Option	Version
BLG	042	C	001

Budget Action Title: Amend and pass as amended CB 119950, increasing the payroll tax, adding \$3.6 million to Finance General, and imposing a proviso

Ongoing: Yes Has Budget Proviso: Yes

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Kshama Sawant

Council Members:

Staff Analyst: Aly Pennucci

Council Bill or Resolution: CB 119950

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

Summary of Dollar Effect

See the following pages for detailed technical information

	2021 Increase (Decrease)	2022 Increase (Decrease)
General Fund		
General Fund Revenues	\$0	
General Fund Expenditures	\$0	
Net Balance Effect	\$0	
Other Funds		
Transportation Benefit District Fund (19900)		
Revenues	\$0	
Expenditures	\$3,600,000	
Net Balance Effect	\$(3,600,000)	
Total Budget Balance Effect	\$(3,600,000)	

Budget Action Description:

This Council Budget Action (CBA) amends and recommends passage of CB 119950, which would increase the tax rate of the big business payroll tax. This Council Budget Action would also add \$3.6 million GF to the General Purpose BSL in Finance General and add a proviso as follows:

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“Of the appropriation in the 2021 budget for the General Purpose BSL in Finance General, \$3.6 million is appropriated solely for transportation purposes and may be spent for no other purpose. Furthermore, none of the money so appropriated may be spent until authorized by future ordinance. Council anticipates that such authority will not be granted until the Seattle Department of Transportation has presented a spending plan for the additional vehicle license fee revenue after conducting a transparent, inclusive, and public stakeholder engagement process.”

This Council Budget Action anticipates that the Seattle Department of Transportation (SDOT) will seek input on the spending plan from the Move Seattle Levy Oversight Committee, the city’s transportation boards and commissions, transit equity organizations, and community organizations, particularly those organizations representing communities that are disproportionately reliant on transit, and labor unions whose members are impacted by transportation investments, including Ironworkers, Building Trades, and Laborers. This Council Budget Action anticipates that that SDOT will develop the spending plan proposal by May 1, 2021, and that City Council will consider and approve the spending plan by July 1, 2021.

This budget action would amend Council Bill 119950 (also referenced in CBA BLG-0430A-001), by adding to the tax rates of the big business payroll tax set in Ordinance 126108 as follows:

For businesses whose total payroll is from \$7 million to \$100 million:

Salaries from \$150,000 to \$400,000 annually: +0.012%

Salaries over \$400,000 annually: +0.029%

For businesses whose total payroll is \$100 million to \$1 billion:

Salaries from \$150,000 to \$400,000 annually: +0.012%

Salaries over \$400,000 annually: +0.032%

For businesses whose total payroll exceeds \$1 billion:

Salaries from \$150,000 to \$400,000 annually: +0.024%

Salaries over \$400,000 annually: +0.040%

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Add VLF appropriations with proviso		0	0	FG - FG000	FG - BO-FG-2QD00 - General Purpose	19900 - Transportation Benefit District Fund	2021	\$0	\$3,600,000