



## Legislation Details (With Text)

**File #:** CB 118716    **Version:** 1    **Name:** CB 118716  
**Type:** Ordinance (Ord)    **Status:** Passed  
**In control:** City Clerk  
**On agenda:** 7/25/2016  
**Final Action:** 7/29/2016    **Ord. No.** Ord 125084  
**Title:** AN ORDINANCE related to increasing the Business License Tax rates and amending Section 5.45.050 of the Seattle Municipal Code.  
**Sponsors:** Tim Burgess  
**Indexes:**  
**Attachments:** 1. Summary and Fiscal Note, 2. Signed Ordinance 125084, 3. Affidavit of Publication

Date	Ver.	Action By	Action	Result
7/29/2016	1	City Clerk	attested by City Clerk	
7/29/2016	1	Mayor	returned	
7/29/2016	1	Mayor	Signed	
7/26/2016	1	City Clerk	submitted for Mayor's signature	
7/25/2016	1	City Council	passed	Pass
7/20/2016	1	Affordable Housing, Neighborhoods, and Finance Committee	pass	Pass
7/6/2016	1	Affordable Housing, Neighborhoods, and Finance Committee	discussed	
7/5/2016	1	City Council	referred	
6/10/2016	1	Council President's Office	sent for review	
6/7/2016	1	City Clerk	sent for review	
6/7/2016	1	Mayor	Mayor's leg transmitted to Council	

### CITY OF SEATTLE

### ORDINANCE \_\_\_\_\_

### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE related to increasing the Business License Tax rates and amending Section 5.45.050 of the Seattle Municipal Code.

WHEREAS, Mayor Murray's 2016 State of the City speech doubled the original goal for expanding the City's police force from 100 new officers to a total of 200; and

WHEREAS, the recently completed police staffing study validated community concerns about the need to

increase police visibility and investigatory resources; and

WHEREAS, Mayor Murray's 2016 State of the City called for updates and increased capacity at the City's 911 call center; and

WHEREAS, the Seattle Police Department's (SPD) call center is facing increasing call volumes that have placed a growing strain on the current system. Calls have increased by 13 percent since 2010, and recent trends show no slowing in this growth; and

WHEREAS, initial work in developing the SPD's budget for the 2017-2018 biennium has identified the need for a number of significant information technology investments; and

WHEREAS, SPD is engaged in several large-scale technology projects. These include development of a Data Analysis Platform (DAP) that will allow SPD to both closely track individual officer performance and department-wide trends with an envisioned future state allowing for better use of available crime data to target police resources and deployment of Body-Worn Cameras to all patrol officers; and

WHEREAS, additional revenues are needed in order to fund these vital measures; and

WHEREAS, the City is increasing the current business license tax rates in two steps, with the first increase effective January 1, 2017, and the second increase effective January 1, 2018; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Section 5.45.050 of the Seattle Municipal Code, which section was last amended by Ordinance 123074, is amended as follows:

**5.45.050 - Imposition of the tax-Tax or fee levied**

Except as provided in subsection 5.55.040.D.1, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the City, whether the person's office or place of business be within or without the City. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including

by-products, as the case may be, as follows:

A. Upon every person engaging within the City in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the City for sale or for commercial or industrial use, multiplied by the rate of .00215 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00219, and beginning January 1, 2018, by the rate of .00222. The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

B. Upon every person engaging within the City in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured or processed within the City, multiplied by the rate of .00215 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00219, and beginning January 1, 2018, by the rate of .00222. The measure of the tax is the value of the products, including by-products, so manufactured or processed, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

C. Upon every person engaging within the City in the business of making sales of retail services, or making sales at wholesale or retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities, or merchandise sold, multiplied by the rate of .00215 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00219, and beginning January 1, 2018, by the rate of .00222.

D. Upon every person engaging within the City in the business of:

1. Printing;
2. Both printing and publishing newspapers, magazines, periodicals, books, music, and

other printed items;

3. Publishing newspapers, magazines, and periodicals;
4. Extracting for hire;
5. Processing for hire; or
6. Conducting a tour operator business; as to such persons, the amount of tax on such

business shall be equal to the gross income of the business multiplied by the rate of .00215 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00219, and beginning January 1, 2018, by the rate of .00222.

E. Upon every motor carrier engaging within the City in the business of transporting freight for hire, as to such persons, the amount of the tax with respect to such business shall be equal to the gross income from the transport of freight picked up in the City multiplied by the rate of .00415 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00423, and beginning January 1, 2018, by the rate of .00427. The business of transporting freight for hire includes the business of leasing or renting motor vehicles operated by the lessor, or by a person under the control of the lessor, to transport freight for hire.

F. Upon every person engaging within the City in the business of providing international investment management services, as to such persons, the amount of tax with respect to such business shall be equal to the gross income or gross proceeds of sales of the business multiplied by a rate of .0015 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00153, and beginning January 1, 2018, by the rate of .00155.

G. Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of .00415 through December 31, 2016, and beginning January 1, 2017, through December 31, 2017, by the rate of .00423, and beginning

January 1, 2018, by the rate of .00427. This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger, or other than by outright sale), persons engaged in the business of developing ((;)) or producing custom software or of customizing canned software, producing royalties or commissions, persons engaged in the business of freight brokering, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

Section 2. Pursuant to RCW 35.21.706, this ordinance is subject to the referendum procedure specified in that state law. A referendum petition may be filed within seven days of the passage of the ordinance with the filing officer of the City, which is hereby designated to be the City Clerk, located on the third floor of City Hall, 600 Fourth Avenue, Seattle, Washington. Within ten days of filing the petition, the City Clerk shall confer with the petitioner concerning the form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the City Attorney. The petitioner shall then have 30 days in which to secure the signatures of not less than 15 percent of the registered voters of the City, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. Signed petition forms that are timely submitted to the City Clerk shall be transmitted to the King County Director of Records and Elections, who shall verify the sufficiency of the signatures on the petition and report to the City Clerk. If sufficient valid signatures are properly submitted, the City Clerk shall so inform the City Council, which shall submit the referendum measure to the voters at a special election to be held on the next City election date, as provided in RCW 29A.04.330, that occurs not less than 45 days after the county's report of sufficiency is received by the City Clerk, unless a general election will occur within 90 days of receipt of that report, in which event the proposed ordinance will be submitted at the general election. State law, RCW 35.21.706, provides that the referendum procedure in this section is exclusive and that this ordinance is not subject to any other referendum or initiative process.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2016, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Edward B. Murray, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)