



Legislation Details (With Text)

**File #:** CB 118537    **Version:** 1    **Name:** CB 118537  
**Type:** Ordinance (Ord)    **Status:** Passed  
**In control:** City Clerk

**On agenda:** 11/23/2015  
**Final Action:** 12/1/2015    **Ord. No.** Ord 124912

**Title:** AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

**Sponsors:** Nick Licata

**Indexes:**

**Attachments:** 1. Summary and Fiscal Note, 2. Signed Ord 124912

Date	Ver.	Action By	Action	Result
12/1/2015	1	City Clerk	attested by City Clerk	
12/1/2015	1	Mayor	returned	
12/1/2015	1	Mayor	Signed	
11/30/2015	1	City Clerk	submitted for Mayor's signature	
11/23/2015	1	City Council	passed	Pass
11/16/2015	1	Select Budget Committee	pass	Pass
10/26/2015	1	City Council	referred	
10/20/2015	1	City Clerk	sent for review	
9/28/2015	1	Mayor	Mayor's leg transmitted to Council	

**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE relating to taxation of utilities in The City of Seattle; amending Section 5.48.050 of the Seattle Municipal Code.

WHEREAS, Seattle Municipal Code Section 5.48.050 establishes a utility tax on the conduct, maintenance, and operation of drainage and wastewater systems; and

WHEREAS, Section 5.48.050 currently excludes drainage and wastewater systems not operated by The City of Seattle from this utility tax; and

WHEREAS, the City finds that these taxes should also apply to drainage and wastewater utilities operated by

port districts within the City; and

WHEREAS, such a change in the application of drainage and wastewater system utility taxes will not itself increase the costs to municipal ratepayers because adopted rates are inclusive of all taxes, and there will be no change in rates attributable to the application of taxes authorized in this ordinance; NOW, THEREFORE,

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

Section 1. Section 5.48.050 of the Seattle Municipal Code, last amended by Ordinance 122916, is amended as follows:

**5.48.050 Occupations subject to tax-Amount((-))**

There are levied upon, and shall be collected from everyone, including ~~((§))~~The City of Seattle, on account of certain business activities engaged in or carried on, annual license fees or occupation taxes in the amount to be determined by the application of rates given against gross income as follows:

A. Upon everyone engaged in or carrying on a telecommunications service or telephone business, a fee or tax equal to six ~~((6))~~ percent of the total gross income from such business provided to customers within the City. The tax liability imposed under this ~~((section))~~ Section 5.48.050 shall not apply for that portion of gross income derived from charges to another telecommunications company, as defined in RCW 80.04.010, for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services, or for access to, or charges for, interstate services, or charges for telecommunication service or telephone business that is purchased for the purpose of resale. (Such charges, except for interstate service, shall be taxed under ~~((SMC))~~ Chapter 5.45.) The total gross income shall also include all charges by the provider of cellular or cellular mobile telephone services provided to its customers in any taxing jurisdiction (intrastate or interstate), which are billed to a "place of primary use" located in Seattle by or for the home service provider, irrespective of whether the services are provided by the home service provider.

B. Upon everyone engaged in or carrying on the business of selling, brokering, or furnishing gas for

hire, a fee or tax equal to six ~~((6))~~ percent of the total gross income from such business in the City.

C. Upon everyone, including The City of Seattle, engaged in or carrying on the business of selling or furnishing water for hire to consumers, a fee or tax equal to the total gross income from such retail business in the City multiplied by the following rates:

Effective through March 30, 2009, a rate of ~~((fifteen and fifty-four one hundredths ()))~~ 15.54~~(( ))~~ percent;

Effective March 31, 2009 through December 31, 2010, a rate of ~~((nineteen and eighty-seven one hundredths ()))~~ 19.87~~(( ))~~ percent; and

Effective January 1, 2011, a rate of ~~((fifteen and fifty-four one hundredths ()))~~ 15.54~~(( ))~~ percent; Provided that as to The City of Seattle in the conduct of its municipal water utility, such tax shall be applicable to the business of such utility done without, as well as within, the City.

D. Upon everyone, including The City of Seattle, engaged in or carrying on the business of selling or furnishing electric light and power to consumers, a fee or tax equal to six ~~((6))~~ percent of the total gross income from such business in the City. The fee or tax imposed upon the municipal light and power system of the City shall be applicable to the business of such system both within and without the City.

E. Upon everyone conducting or engaged in the business of supplying steam heat or power to consumers, a fee or tax equal to six ~~((6))~~ percent of the total gross income from such business in the City.

F. Upon The City of Seattle and any port district, in respect to the conduct, maintenance, and operation of a ~~((its municipal))~~ drainage system as a public utility, a fee or tax equal to ~~((eleven and one-half ()))~~ 11.5~~(( ))~~ percent of the total gross income from ~~((the))~~ drainage charges ~~((provided for under City ordinances))~~. For purposes of this Section 5.48.050, "drainage charges" means, for The City of Seattle, the drainage charges provided for under City ordinances; and for any port district, the gross income from the conduct, maintenance, and operation of a drainage system as a public utility in the City.

G. Upon The City of Seattle and any port district, in respect to the conduct, maintenance, and operation of a ~~((its municipal))~~ wastewater system as a public utility, a fee or tax equal to ~~((twelve ()))~~ 12~~(( ))~~ percent of

the total gross income from ~~((the))~~ wastewater charges ~~((provided for under City ordinances))~~. For purposes of this section 5.48.050, “wastewater charges” means, for The City of Seattle, the wastewater charges provided for under City ordinances; and for any port district, the gross income from the conduct, maintenance, and operation of a wastewater system as a public utility in the City.

H. As to solid waste, see Section 5.48.055.

I. Upon everyone engaged in the business of operating or conducting a cable television system (CATV), a fee or tax equal to ten ~~((10))~~ percent of the total gross income from gross subscriber revenues. For purposes of this ~~((chapter))~~ Chapter 5.48, "gross subscriber revenues" means and includes those revenues derived from the supplying of subscription service, that is, installation fees, disconnect and reconnect fees, fees for regular cable benefits including the transmission of broadcast signals, and access and origination channels and per-program or per-channel charges; ~~((provided))~~ however, the tax liability imposed under this ~~((section))~~ Section 5.48.050 shall not include leased channel revenue, advertising revenues, or any other income derived from the system, which shall be taxed under ~~((SMC))~~ Chapter 5.45. The business of operating or conducting a cable television system (CATV) does not include the provision of interactive two-way communications over cable. Such activities shall be reported under the telecommunication service or telephone business classification.

Section 2. 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 \_\_\_\_\_, 2015, and signed by me in open session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2015.

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

Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2015.

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

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2015.

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

(Seal)