# SEATTLE CITY COUNCIL

## Legislation Details (With Text)

File #: CB 120689 Version: 2 Name: CB 120689

Type: Ordinance (Ord) Status: Passed

In control: City Clerk

On agenda: 11/21/2023

**Final Action:** 12/1/2023 **Ord. No.** Ord 126944

**Title:** AN ORDINANCE relating to deductions from the payroll expense tax; extending an existing deduction

for non-profit healthcare entities and making the deduction subject to increases that account for

inflation; and amending Sections 5.38.045 and 5.38.070 of the Seattle Municipal Code.

**Sponsors:** Teresa Mosqueda

Indexes:

Attachments: 1. Summary and Fiscal Note, 2. Amendment 1 to CB 120689, 3. Signed Ordinance 126944, 4.

Affidavit of Publication

Date	Ver.	Action By	Action	Result
12/1/2023	2	City Clerk	attested by City Clerk	
12/1/2023	2	Mayor	returned	
12/1/2023	2	Mayor	Signed	
11/29/2023	2	City Clerk	submitted for Mayor's signature	
11/21/2023	2	City Council	passed	Pass
11/14/2023	1	Select Budget Committee	pass as amended	Pass
10/24/2023	1	City Council	referred	
10/19/2023	1	Council President's Office	sent for review	
10/17/2023	1	City Clerk	sent for review	

#### CITY OF SEATTLE

ORDINANCE		
COUNCIL BILL		

AN ORDINANCE relating to deductions from the payroll expense tax; extending an existing deduction for non-profit healthcare entities and making the deduction subject to increases that account for inflation; and amending Sections 5.38.045 and 5.38.070 of the Seattle Municipal Code.

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

Section 1. Section 5.38.045 of the Seattle Municipal Code, enacted by Ordinance 126108, is amended as

follows:

#### 5.38.045 Deductions from the payroll expense tax

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For the period from January 1, 2021, through December 31, ((2023)) 2026, taxpayers that are non-profit healthcare entities may deduct from the measure of the tax the payroll expense of employees with annual compensation of \$150,000 to \$399,999.99.

Section 2. Section 5.38.070 of the Seattle Municipal Code, enacted by Ordinance 126108, is amended as follows:

### 5.38.070 Adjustments for inflation

A. Beginning on January 1, 2022, and on January 1 of every year thereafter, the Director shall adjust in the manner described in subsection 5.38.070.B the following dollar amounts:

- 1. The amount of the dollar thresholds in Section 5.38.030; ((and))
- 2. The amount of the exemption in subsection 5.38.040.A.1((-)); and
- 3. The amount of the dollar thresholds in Section 5.38.045.

B. The amounts listed in subsection 5.38.070.A shall increase commensurate with the rate of growth of the prior year's June-to-June Consumer Price Index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor. The amounts calculated shall be rounded to the nearest whole dollar.

C. The adjustment for inflation that pertains to the amount of the deduction in Section 5.38.045 is calculated consistently with subsection 5.38.070.A. However, the inflation adjustment that pertains to the deduction in Section 5.38.045 applies prospectively only, commencing on January 1, 2024.

\* \* \*

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 \_\_\_\_\_\_\_, 2023, and signed by

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me in open session in authentication of its	, 2023.						
	President of the City Council						
Approved / returned unsigned /	vetoed this day of	, 2023.					
	Bruce A. Harrell, Mayor						
Filed by me this day of _	, 2023.						
	Scheereen Dedman, City Clerk						
(Seal)							

Attachments (if any):