



Legislation Text

File #: CB 119932, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to taxation; amending the transportation network company tax threshold for number of trips under Section 5.39.050 of the Seattle Municipal Code.

WHEREAS, on November 29, 2019, the Seattle City Council passed Ordinance 125971 to add a new Chapter

5.39 to the Seattle Municipal Code to impose a tax on transportation network companies (TNCs)

beginning July 1, 2020; and

WHEREAS, under Section 5.39.050 as it currently reads, no tax shall be due from a TNC that reports fewer

than 1,000,000 trips that originate in Seattle in the prior calendar quarter; and

WHEREAS, on March 11, 2020, the World Health Organization announced that the novel coronavirus (COVID

-19) is officially a global pandemic; and

WHEREAS, on February 29, 2020, the Washington Governor issued Proclamation 20-05, proclaiming a state

of emergency for all counties throughout the state of Washington in response to new cases of COVID-

19; and

WHEREAS, on March 3, 2020, Mayor Durkan issued a Proclamation of Civil Emergency declaring a civil

emergency within the City of Seattle based on the confirmed spread of COVID-19 in King County and

the resulting deaths and illness; and

WHEREAS, the COVID-19 crisis and the state of emergency continue and are causing severe harm to the

economy and are significantly decreasing the number of TNC trips that originate in the City of Seattle;

and

WHEREAS, as a result of the decrease in trips, it is likely that an unexpected number of TNCs will fall below the threshold in section 5.39.050 and not owe any tax, thereby causing a decrease in expected TNC tax revenues; and

WHEREAS, a reduction of TNC tax revenues will prevent the City from providing the programs and services described in Ordinance 125971 and other programs needed to help counteract the economic and health impacts caused by the COVID-19 emergency; and

WHEREAS, to reduce the loss of TNC tax revenues, the Seattle City Council intends to amend Section 5.39.050 to change the threshold for tax periods beginning in 2021 from 1,000,000 in the prior calendar quarter to 200,000 in the prior calendar quarter; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.39.050 of the Seattle Municipal Code, enacted by Ordinance 125971, is amended as follows:

5.39.050 Tax threshold

~~((No))~~ For the period July 1, 2020 through December 31, 2020, no tax shall be due under Section 5.39.030 for a calendar quarter from a TNC that reports fewer than 1,000,000 trips that originate in Seattle in the prior calendar quarter. For periods after December 31, 2020 no tax shall be due under Section 5.39.030 for a calendar quarter from a TNC that reports fewer than 200,000 trips that originate in Seattle in the prior calendar quarter.

Any TNC below ~~((this))~~ the threshold shall complete and file a return and declare no tax due on the return. The TNC shall enter on the tax return the number of trips originating in Seattle even though no tax may be due.

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 _____, 2020, and signed by me in open session in authentication of its passage this _____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)