



## Legislation Text

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File #: CB 119950, Version: 2

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### CITY OF SEATTLE

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

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

AN ORDINANCE relating to taxation; increasing the tax rates of the payroll expense tax imposed on persons engaging in business in Seattle; and amending Section 5.38.030 of the Seattle Municipal Code.

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

Section 1. Section 5.38.030 of the Seattle Municipal Code, enacted by Ordinance 126108, is amended as follows:

**5.38.030 Tax imposed-Rate**

A. A payroll expense tax is hereby levied upon and shall be collected from every person engaging in business within Seattle.

B. The amount of the payroll expense tax due shall be the payroll expense of the business, subject to any deductions authorized under this Chapter 5.38, multiplied by the following rates:

1. For businesses with payroll expense up to \$99,999,999.99, the rate shall be:

a. ~~((Seven-tenths))~~ 0.746 percent of the payroll expense of employees with annual compensation of \$150,000 to \$399,999.99; and

b. ~~((One and seven-tenths))~~ 1.811 percent of the payroll expense of employees with annual compensation of \$400,000 or more.

2. For businesses with payroll expense of \$100 million to \$999,999,999.99, the rate shall be:

a. ~~((Seven-tenths))~~ 0.746 percent of the payroll expense of employees with annual compensation of \$150,000 to \$399,999.99; and

b. (~~((One and nine tenths))~~) 2.024 percent of the payroll expense of employees with annual compensation of \$400,000 or more.

3. For businesses with payroll expense of \$1 billion or greater, the rate shall be:

a. (~~((One and four tenths))~~) 1.492 percent of the payroll expense of employees with annual compensation of \$150,000 to \$399,999.99; and

b. (~~((Two and four tenths))~~) 2.557 percent of the payroll expense of employees with annual compensation of \$400,000 or more.

C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not make any deductions from employees' compensation to pay for this tax.

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 \_\_\_\_\_, 2023, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 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)