

Seattle Rule 5-524

Abstract, title insurance and escrow business

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(1) Introduction. The gross receipts of "abstract," title insurance" and "escrow" businesses include all service charges representing an abstract fee, a charge for a title insurance fee or premium, or an escrow fee or service charge received by "escrow agents."

(2) Definitions.

(a) The term "escrow" means any transaction wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another person or persons, delivers anywritten instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which such third person is to act, to a grantee, grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

(b) "Escrow agent" means any sole proprietorship, firm, association, partnership, or corporation engaged in the business of performing for compensation the duties of the third person referred to in the foregoing definition.

(3) Business License Tax.

(a) Abstract, title insurance and escrow businesses are taxable under the retail classification on gross receipts from fees or premiums charged to consumers for abstract, title insurance, or escrow services (see SMC 5.30.040 definition of retail services).

(b) The gross income from collection contracts which do not involve an escrow as defined above, is subject to tax under the service and other business activities classification.

Effective: January, 2009.

DIRECTOR'S CERTIFICATION

I, Dwight Dively, Finance Director of the City of Seattle, do hereby certify under penalty of perjury of law, that the within and foregoing is a true and correct copy as adopted by the City of Seattle, Department of Executive Administration.

DATED this _____ day of January, 2009

CITY OF SEATTLE,

a Washington municipality

By: _____

Dwight Dively, Director

Finance Department

Jan 23, 2009