



SEATTLE CITY COUNCIL

Legislative Summary

CB 118715

Record No.: CB 118715

Type: Ordinance (Ord)

Status: Passed

Version: 2

Ord. no: Ord 125083

In Control: City Clerk

File Created: 05/31/2016

Final Action: 07/29/2016

Title: AN ORDINANCE related to increasing the Business License Tax Certificate Fee and amending Sections 5.30.060 and 5.55.030 of the Seattle Municipal Code.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: adam.schaefer@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	06/07/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	Notes:						
1	City Clerk	06/07/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	06/10/2016	sent for review	Affordable Housing, Neighborhoods, and Finance Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee						
	Notes:						

Legislative Summary Continued (CB 118715)

- 1 Full Council 07/05/2016 referred Affordable Housing, Neighborhoods, and Finance Committee
- 1 Affordable Housing, Neighborhoods, and Finance Committee 07/06/2016 discussed
Action Text: The Council Bill (CB) was discussed.
Notes:
- 1 Affordable Housing, Neighborhoods, and Finance Committee 07/20/2016 pass as amended Pass
Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB).
Notes: The Committee adopted the proposed substitute version.
In Favor: 4 Chair Burgess, Vice Chair Herbold, Member Johnson, Alternate O'Brien
Opposed: 0
- 2 Full Council 07/25/2016 passed Pass
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
In Favor: 8 Councilmember Burgess, Councilmember González, Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant
Opposed: 0
- 2 City Clerk 07/26/2016 submitted for Mayor's signature Mayor
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:
- 2 Mayor 07/29/2016 Signed
Action Text: The Council Bill (CB) was Signed.
Notes:
- 2 Mayor 07/29/2016 returned City Clerk
Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:
- 2 City Clerk 07/29/2016 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:
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CITY OF SEATTLE

ORDINANCE 125083

COUNCIL BILL 118715

AN ORDINANCE related to increasing the Business License Tax Certificate Fee and amending Sections 5.30.060 and 5.55.030 of the Seattle Municipal Code.

WHEREAS, Mayor Murray’s 2016 State of the City speech doubled the original goal for expanding the City’s police force from 100 new officers to a total of 200; and

WHEREAS, the recently completed police staffing study validated community concerns about the need to increase police visibility and investigatory resources; and

WHEREAS, Mayor Murray’s 2016 State of the City called for updates and increased capacity at the City’s 911 call center; and

WHEREAS, the Seattle Police Department’s (SPD) call center is facing increasing call volumes that have placed a growing strain on the current system. Calls have increased by 13 percent since 2010, and recent trends show no slowing in this growth; and

WHEREAS, initial work in developing SPD’s budget for the 2017-2018 biennium has identified the need for a number of significant information technology investments; and

WHEREAS, SPD is engaged in several large-scale technology projects. These include development of a Data Analysis Platform (DAP) that will allow SPD to closely track both individual officer performance and department-wide trends with an envisioned future state allowing for better use of available crime data to target police resources and deployment of body-worn cameras to all patrol officers; and

WHEREAS, additional revenues are needed in order to fund these vital measures; and

WHEREAS, the City currently imposes a business license tax certificate fee on businesses engaging in business in the City; and

1 WHEREAS, the business license tax certificate fee is currently set at an annual rate of \$110 for
2 businesses with worldwide gross income of more than \$20,000 and at \$55 for businesses
3 with worldwide gross income of \$20,000 or less; and

4 WHEREAS, the City Council wishes to maintain the existing business license tax fee rates for
5 the vast majority of businesses; and

6 WHEREAS, the City wishes to fund a minimum of 80 percent of the total anticipated annual
7 costs for the new goal of expanding police staffing and other law enforcement initiatives
8 through an increase in the business and occupation tax and through changes to the
9 business license tax certificate fee rates and tier structure; and

10 WHEREAS, the City anticipates funding the balance of costs for expanding police staffing and
11 other law enforcement initiatives beginning in 2019 through a combination of efficiencies
12 and growth in the General Subfund; and

13 WHEREAS, in order to raise additional revenue, the City intends to increase the business license
14 tax certificate fee rates and also to increase the number of business license tax fee rate
15 tiers; NOW, THEREFORE,

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

17 Section 1. Subsection 5.55.030.A of the Seattle Municipal Code, which section was last
18 amended by Ordinance 124808, is amended as follows:

19 **5.55.030 License requirements**

20 A. No person, unless specifically exempted, shall engage in any business activity,
21 profession, trade, or occupation in the City without having first obtained and being the holder of
22 a valid and subsisting license to do so, to be known as a “business license tax certificate.” ~~((The~~
23 ~~fee for the business license tax certificate shall be \$110 for persons with worldwide gross income~~

1 ~~of the business and value of products of more than \$20,000 in the current calendar year that~~
2 ~~engage in any business activity, profession, trade or occupation in the City prior to July 1st and~~
3 ~~\$55 for persons beginning their activity on or after July 1st. The business license tax certificate~~
4 ~~fee for persons with worldwide gross income of the business and value of products of \$20,000 or~~
5 ~~less in the current calendar year will be \$55 if prior to July 1st and \$27.50 for persons beginning~~
6 ~~their activity on or after July 1st. The fee shall accompany the application for the license.))~~

7 Effective January 1, 2017, through December 31, 2017, the fee for the business license
8 tax certificate shall be:

9 1. Fifty-five dollars for persons with taxable gross income of the business
10 and value of products of less than \$20,000 in the most recent complete calendar year that engage
11 in any business activity, profession, trade, or occupation in the City prior to July 1 and \$27.50 for
12 such persons beginning their activity on or after July 1;

13 2. One hundred ten dollars for persons with taxable gross income of the
14 business and value of products of \$20,000 or more but less than \$500,000 in the most recent
15 complete calendar year that engage in any business activity, profession, trade, or occupation in
16 the City prior to July 1 and \$55 for such persons beginning their activity on or after July 1;

17 3. Four hundred eighty dollars for persons with taxable gross income of the
18 business and value of products of \$500,000 or more but less than \$2,000,000 in the most recent
19 complete calendar year that engage in any business activity, profession, trade, or occupation in
20 the City prior to July 1 and \$240 for such persons beginning their activity on or after July 1;

21 4. One thousand dollars for persons with taxable gross income of the
22 business and value of products of \$2,000,000 or more in the most recent complete calendar year

1 that engage in any business activity, profession, trade, or occupation in the City prior to July 1
2 and \$500 for such persons beginning their activity on or after July 1.

3 Effective January 1, 2018 to December 31, 2018, the fee for the business license tax
4 certificate shall be:

5 1. Fifty-five dollars for persons with taxable gross income of the business
6 and value of products of less than \$20,000 in the most recent complete calendar year that engage
7 in any business activity, profession, trade, or occupation in the City prior to July 1 and \$27.50 for
8 such persons beginning their activity on or after July 1;

9 2. One hundred ten dollars for persons with taxable gross income of the
10 business and value of products of \$20,000 or more but less than \$500,000 in the most recent
11 complete calendar year that engage in any business activity, profession, trade, or occupation in
12 the City prior to July 1 and \$55 for such persons beginning their activity on or after July 1;

13 3. Four hundred eighty dollars for persons with taxable gross income of the
14 business and value of products of \$500,000 or more but less than \$2,000,000 in the most recent
15 complete calendar year that engage in any business activity, profession, trade, or occupation in
16 the City prior to July 1 and \$240 for such persons beginning their activity on or after July 1;

17 4. One thousand dollars for persons with taxable gross income of the
18 business and value of products of \$2,000,000 or more but less than \$5,000,000 in the most recent
19 complete calendar year that engage in any business activity, profession, trade, or occupation in
20 the City prior to July 1 and \$500 for such persons beginning their activity on or after July 1.

21 5. Two thousand dollars for persons with taxable gross income of the
22 business and value of products of \$5,000,000 or more in the most recent complete calendar year

1 that engage in any business activity, profession, trade, or occupation in the City prior to July 1
2 and \$1,000 for such persons beginning their activity on or after July 1.

3 Effective January 1, 2019 to December 31, 2019, the fee for the business license tax
4 certificate shall be:

5 1. Fifty-five dollars for persons with taxable gross income of the business
6 and value of products of less than \$20,000 in the most recent complete calendar year that engage
7 in any business activity, profession, trade, or occupation in the City prior to July 1 and \$27.50 for
8 such persons beginning their activity on or after July 1;

9 2. One hundred ten dollars for persons with taxable gross income of the
10 business and value of products of \$20,000 or more but less than \$500,000 in the most recent
11 complete calendar year that engage in any business activity, profession, trade, or occupation in
12 the City prior to July 1 and \$55 for such persons beginning their activity on or after July 1;

13 3. Five hundred dollars for persons with taxable gross income of the business
14 and value of products of \$500,000 or more but less than \$2,000,000 in the most recent complete
15 calendar year that engage in any business activity, profession, trade, or occupation in the City
16 prior to July 1 and \$250 for such persons beginning their activity on or after July 1;

17 4. One thousand two hundred dollars for persons with taxable gross income
18 of the business and value of products of \$2,000,000 or more but less than \$5,000,000 in the most
19 recent complete calendar year that engage in any business activity, profession, trade, or
20 occupation in the City prior to July 1 and \$600 for such persons beginning their activity on or
21 after July 1.

22 5. Two thousand four hundred dollars for persons with taxable gross income
23 of the business and value of products of \$5,000,000 or more in the most recent complete calendar

1 year that engage in any business activity, profession, trade, or occupation in the City prior to July
2 1 and \$1,200 for such persons beginning their activity on or after July 1.

3 On January 1, 2020 and on January 1 of every year thereafter, the fees for the business
4 license tax certificate shall be increased for all persons consistent with the rate of growth of the
5 prior year's June-to-June Consumer Price Index (CPI-U) for the Seattle-Tacoma-Bremerton area
6 as published by the United States Department of Labor. To calculate the new annual fees, each
7 prior year's fee will be multiplied by the sum of one and the annual percent change in the CPU-
8 U. If the annual change in the CPI-U is negative, no adjustment shall be made for the year. The
9 amount of the fees so calculated will be rounded to the nearest whole dollar.

10 The fee shall accompany the application for the license. Persons who did not engage in
11 business in the City in the most recent complete calendar year shall pay the minimum full or
12 partial year fee amount at the time of application and the Director shall bill the person after the
13 conclusion of the calendar year of the application for any remaining amount based on the fee
14 schedule in this subsection 5.55.030.A and the person's taxable gross income of the business and
15 value of products during the calendar year of the application.

16 The business license tax certificate shall expire at the end of the calendar year for which
17 it is issued. The business license tax certificate shall be personal and nontransferable except as
18 provided in subsection 5.55.030.G. Applications for the business license tax certificate shall be
19 made to the Director of Finance and Administrative Services on forms provided by the Director.
20 Each business license tax certificate shall be numbered, shall show the name, place, and
21 character of the business of the licensee, and such other information as the Director deems
22 necessary, and shall at all times be conspicuously posted in the place of business for which it is
23 issued.

