



Seattle Tax Advisory Group

MEETING MINUTES

Date: Thurs. March. 8th, 2018 10:00 am **Location:** Seattle Municipal Tower (700 Fifth Avenue)
40th Floor—Conference Room 4080

Attendees:

Joseph Cunha, Tax Administrator, City of Seattle
Mark Watterson, Tax Audit Manager, City of Seattle
Kevin Fitzpatrick, FileLocal Program Manager, City of Seattle
Damian Hunt, Senior Tax Manager, Amazon
Ingrid Sudyam, Manager Indirect Taxes, Starbucks
Dan Robillard, Expedia

Meeting Minutes

FileLocal Update. FileLocal had its full roll out in Q3 2017 and is continuing to see significant growth of users filing and paying local taxes. FileLocal is working to make it easier for businesses to sign up for FileLocal. FileLocal staff are also working to complete the Sweetened Beverage Tax functions that are being built into FileLocal. Testing is completed and FileLocal plans to have the sweetened beverage returns available for filing for the first quarter 2018 returns that are due April 30, 2018.

More cities are joining and planning to join FileLocal. In addition to Seattle, Bellevue, Everett, and Lake Forest Park, two more cities plan to join with a projected Q3 2018 go-live time-frame. Additional cities continue to show interest in joining FileLocal.

SELF continues to be available for taxpayers to file while the City works to gradually migrate customers over to FileLocal.

Sweetened Beverage Tax Update. The sweetened beverage tax took effect on January 1, 2018. Prior to creating the sweetened beverage tax, a rule hearing was held, the feedback was reviewed, and the rule was finalized in November 2017. City staff has been assisting call-in questions from distributors and retailers. We also began taking calls from consumers with general questions in January and February.

No figures are available yet on SBT remittances since the first returns are not even due until April 30, 2018.

Progressive Revenue Task Force. The Progressive Revenue Task Force is working to put forward plans for a new tax, possibly a head tax/employee hours tax. Tax Advisory Group members were looking for additional information on any public information the task force has on possible plans for any new tax. Members were advised that the Task Force has a website dedicated to it and a link will be provided to the Tax Advisory Group members for them to review.

Apportionment Task Force Update. The Apportionment Task Force mandated by HB 2005 is in progress and about half-way through its tenure. The task force has looked at other service apportionment models and compared the current model, all while trying to bring simplification to the income factor of apportionment. The current state of municipal apportionment primarily utilizes a “customer location” to source service receipts, which businesses have professed is difficult to administer.

The task force consists of three members from the business community and three members from Washington Cities (Seattle, Tacoma, and Lake Forest Park). A report is due back to the State Legislature at the end of October 2018.

Short-Term Rental. The hotel/motel tax is expected to be expanded to include those properties that have less than 60 units under HB 2015. HB 2015 has currently passed the House and the Senate and is now sent to the governor for signature. If the bill is signed, the STR tax will not be implemented. Short-term Rental regulations and fees, however, are still on track to be implemented and will include a short-term rental operator fee and a “platform” fee.