



Seattle Tax Advisory Group

September Meeting Minutes:

Date: March 15, 2016

Location: Seattle Municipal Tower (700 Fifth Avenue) 40th Floor, Conference Room 4090

Attending Members:

Glen Lee, City Finance Director

Rachel Le Mieux, Partner, Peterson Sullivan LLP

Joseph Cunha, Tax Administrator, City of Seattle

Ingrid Suydam, Manager, Indirect Tax, Starbucks

Mark Watterson, Tax Audit Manager

Jeff Calahan, State and Local Tax Director, Russell Investments

Damian Hunt, Senior Tax Manager, Amazon

FileLocal Update. FileLocal now provides for B&O reporting and license renewals for Seattle, Bellevue, and Tacoma. Everett is in the process of adding itself to FileLocal. While Seattle's SELF filing system will continue for the time being, long-term plans call to remove SELF, and have FileLocal as the electronic filing source for the City of Seattle and along with other cities. Other cities have expressed strong interest in joining the FileLocal program as soon the soft launch phase is complete.

Update on Service Apportionment Income Factor Discussion. The City of Seattle brought the income factor guidelines discussion to the previous City Tax Managers meeting. The other cities were receptive to the idea and the City of Seattle plans to take a lead role and develop a work group involving representatives from other cities to create a set of guidelines surrounding the service apportionment's income factor. The goal of the guidelines would be to provide guidance to taxpayers, practitioners, and administrators in all WA cities regarding documentation and some safe harbors when it comes to what taxpayers should be expected to show auditors where income is sourced, what records to keep, etc. It was also brought up that the City of Seattle will be discussing the two-factor apportionment at the next WSCPA event this summer. The idea of having public audit guide available for taxpayers was also brought up. The City will look at a publicly available audit guide as an option as well.

Overview of upcoming rule updates. The City is in the process of putting out some rule updates. The majority of the rule updates concern updating the rules to reflect the current "business license tax certificate" rather than the old "business license" language. Other rule updates include reflecting the new set of admissions tax exemption standards for small venues (under 500 occupancy) issued under Ordinance 124902 which created a new set of exemption qualifications for smaller live music venues.

Next Steps

- a. City has planned to pull together a workgroup with other cities and develop a set of safe harbors and guidelines on service income factor.
- b. The City will be announcing a time and location for public forum on the new rule updates in the coming weeks. Copies of the rules will be sent out ahead of time.