

Clerk File No. 310906

The City of Seattle – Legislative Department

Clerk File sponsored by: _____

Clerk File No. 310906
Department of Executive Administration
Director's Rule No. 5-125 implementing
Seattle Business Tax Ordinance relating to
casual or isolated sales.

Committee Action:

Date	Recommendation	Vote

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote

Related Legislation File: _____

Date Introduced and Referred:	To: (committee):
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action:	Disposition: <i>Filed</i>

June 22, 2010
Date Filed with City Clerk

Janet Polata
By

CF No.310906

Title:Department of Executive Administration
Director's Rule No. 5-125, implementing Seattle
Business Tax Ordinance relating to casual or
isolated sales.

Date Filed with City Clerk:20100622

THE CITY OF SEATTLE
DIRECTOR'S RULE
IMPLEMENTING SEATTLE BUSINESS TAX ORDINANCE
RULE 5-125

FILED
CITY OF SEATTLE
10 JUN 22 PM 4:09
CITY CLERK

Seattle Rule 5-125 **Casual or isolated sales.**

(1) Generally.

Any sales of tangible personal property which are routine and continuous must be considered to be an integral part of the business operation and are not casual or isolated sales.

Furthermore, persons who hold themselves out to the public as making sales at retail or wholesale are deemed to be engaged in the business of selling, and sales made by them of the type of property which they hold themselves out as selling, are not casual or isolated sales even though such sales may not be made frequently.

In addition, the sale at retail by a manufacturer or wholesaler of an article of merchandise manufactured or wholesaled by the seller is not a casual or isolated sale even though the seller may make but one such retail sale.

Sales of services, intangible property, rights to patents or other activities are taxable under the service and other classification, no matter how limited the number of transactions, shall not be considered as casual or isolated sales. Income from such activities are subject to taxation as part of the gross income of the business.

(2) Business license tax.

The business license tax does not apply to casual or isolated sales pursuant to SMC 5.45.090 X.

(3) Examples.

- a. A retail or wholesale store selling furniture, fixtures, and equipment used by employees in conducting the business would be considered a casual or isolated sale, unless the store was in the business of selling used furniture, fixtures or equipment.
- b. An engineer or consultant develops a patent and sells the patent or the rights to the patent to another business. This transaction would not be a casual or isolated sell since the person is holding themselves out to be an expert and creates gross income through those efforts.
- c. An author writes a book and sells the rights to the book or receives royalties on the sales of the book. The sale of the rights to the book or the royalties received are not casual or isolated sales.

Effective date: June 19, 2010

Superceded rule dated May 15, 2007.

DIRECTOR'S CERTIFICATION

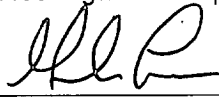
I, Glen Lee, Acting Finance Director of the City of Seattle, do hereby certify under penalty of perjury of law, that the within and foregoing is a true and correct copy as adopted by the City of Seattle, Department of Executive Administration.

THE CITY OF SEATTLE
DIRECTOR'S RULE
IMPLEMENTING SEATTLE BUSINESS TAX ORDINANCE
RULE 5-125

DATED this 19th day of June 19, 2010.

CITY OF SEATTLE,
a Washington municipality

By:



Glen Lee, Acting Finance Director
Department of Executive Administration

STATE OF WASHINGTON – KING COUNTY

--SS.

255258
CITY OF SEATTLE:REVENUE &

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

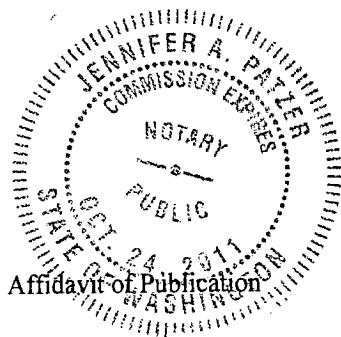
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

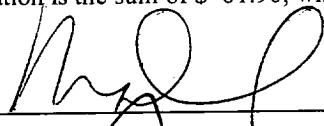
CT:PROPOSED RULE MAKING

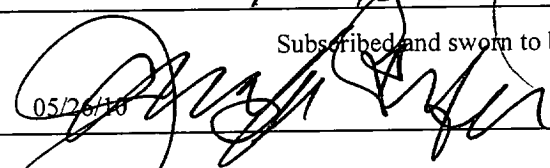
was published on

05/26/10

The amount of the fee charged for the foregoing publication is the sum of \$ 81.90, which amount has been paid in full.





Subscribed and sworn to before me on
05/26/10 

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

NOTICE OF PROPOSED RULE MAKING HEARING

AND OPPORTUNITY TO COMMENT

The Director of Finance, acting under the authority of Seattle Municipal Code Chapters 3.02 and 5.55, proposes to adopt new rules and amend an existing rules for implementing the Seattle Business License Tax Ordinance (Seattle Municipal Code, Chapter 5.45). Please note that although these rules are applicable to SMC 5.45, the individual rules may also apply to other chapters of the City's Tax Code, including, but not limited to, SMC 5.30 (Definitions), SMC 5.32 (Revenue Code), SMC 5.35 (Commercial Parking Tax), SMC 5.40 (Admissions Tax), SMC 5.48 (Business Tax - Utilities), SMC 5.52 (Gambling Tax), and SMC 5.55 (General Administrative Provisions). The following rules are proposed for adoption or amendment and will become effective as of June 19, 2010:

Seattle Rule 5-007 Penalties; Seattle Rule 5-043 Engaging in Business; Seattle Rule 5-046 Valuing affiliated or controlled transactions; Seattle Rule 5-125 Casual or isolated sales; Seattle Rule 5-901 Music Venue admission tax exemption

PUBLIC HEARING AND COMMENT

The Department of Executive Administration has scheduled a public hearing on the proposed rule changes for 12:30 p.m. to 2:30 p.m. on Tuesday, June 15, 2010. The hearing will be held in a conference room on the 40th floor of the Seattle Municipal Tower, Suite 4070, located at 700 Fifth Avenue. All interested persons are invited to present data, views, or arguments, with regard to the proposed rules, orally at the hearing, or in writing at or before the hearing.

Written comments should be mailed or delivered to: Department of Executive Administration Attn: Joseph A. Cunha, Tax Manager Revenue and Consumer Affairs 700 Fifth Avenue, Suite 4250 P.O. Box 34214 Seattle, Washington 98124-4214.

The public may inspect copies of the proposed rules at the Revenue and Consumer Affairs offices, 700 Fifth Avenue, Suite 4250. If you would like a copy of the proposed rules, please call (206) 233-7820, FAX (206) 684-5170, email: joseph.cunha@seattle.gov, or submit a written request to the address above.

Glenn Lee, Acting Finance Director,
Department Executive Administration

Date of publication in the Seattle Daily
Journal of Commerce, May 26, 2010.

5/26(255259)