

City of Seattle  
Legislative Department  
Office of the City Clerk

Monica Martinez Simmons, City Clerk



PROPOSED INITIATIVE PETITION SUBMITTAL RECEIPT

Initiative No. 112

On March 21, 2014 at 11:48 a.m./p.m., I filed one paper and one  
electronic copy of a proposed Initiative Petition with the Seattle City Clerk.

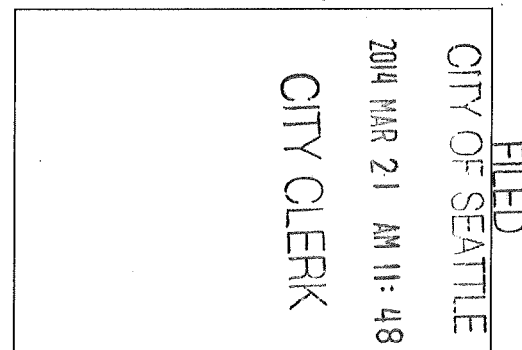
Signed

E. A. Campbell

ELIZABETH A. CAMPBELL  
Print Name

CITY CLERK ACKNOWLEDGEMENT OF RECEIPT

Date/Time Stamp:



Monica M. Simmons  
Received by (City Clerk)

The Democracy  
Workshop



FILED  
CITY OF SEATTLE

2014 MAR 21 AM 11: 48

March 21, 2014

CITY CLERK

Dear Ms. Simmons,

With this letter, I am transmitting a proposed initiative related to reducing the B & O tax in the City of Seattle, the petition form for it and an electronic copy of it also.

The petition form is printed on the legal size paper that we intend to use, 11"x17". The campaign's contact information is also printed on the form.

If you have any questions, or see any other changes you believe should be made, you can reach me at [eacampbell@democracyworkshop.com](mailto:eacampbell@democracyworkshop.com) or at 206-769-8459.

Thanks for your time and consideration of these materials.

Sincerely Yours,

DEMOCRACY WORKSHOP

A handwritten signature in cursive script, appearing to read "Elizabeth A. Campbell".

Elizabeth A. Campbell, Director

INITIATIVE \_\_ CUT BUSINESS TAXES

"WARNING: "Ordinance 94289 provides as follows: "Section 1. It is unlawful for any person: 1. To sign or decline to sign any petition for a City initiative, referendum, or Charter amendment, in exchange for any consideration or gratuity or promise thereof; or 2. To give or offer any consideration or gratuity to anyone to induce him or her to sign or not to sign a petition for a City initiative, referendum, or Charter amendment; or 3. To interfere with or attempt to interfere with the right of any voter to sign or not to sign a petition for a City initiative, referendum, or Charter amendment petition by threat, intimidation or any other corrupt means or practice; or 4. To sign a petition for a City initiative, referendum, or Charter amendment with any other than his or her true name, or to knowingly sign more than one (1) petition for the same initiative, referendum or Charter amendment measure, or to sign any such petition knowing that he or she is not a registered voter of The City of Seattle." The provisions of this ordinance shall be printed as a warning on every petition for a City initiative, referendum, or Charter amendment. "Section 2. Any person violating any of the provisions of this ordinance shall upon conviction thereof be punishable by a fine of not more than Five Hundred Dollars (\$500) or by imprisonment in the City Jail for a period not to exceed six (6) months, or by both such fine and imprisonment."

INITIATIVE PETITION FOR SUBMISSION TO THE SEATTLE CITY COUNCIL. To the City Council of The City of Seattle: We, the undersigned registered voters of The City of Seattle, State of Washington, propose and ask for the enactment as an ordinance of the measure known as Initiative Measure No. .... entitled:

(established ballot title of the measure)

a full, true and correct copy of which is included herein, and we petition the Council to enact said measure as an ordinance; and, if not enacted within forty-five (45) days from the time of receipt thereof by the City Council, then to be submitted to the qualified electors of The City of Seattle for approval or rejection at the next regular election or at a special election in accordance with Article IV, Section 1 of the City Charter; and each of us for himself or herself says: I have personally signed this petition; I am a registered voter of The City of Seattle, State of Washington, and my residence address is correctly stated.

( \* Only Registered Seattle Voters Can Sign This Petition \* )

Petitioner's Signature	Petitioner's Printed Name	Residence Address Street and Number (if any)	Date Signed
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FILED  
CITY OF SEATTLE  
2014 MAR 21 AM 11:49  
CITY CLERK

COMPLETE TEXT OF INITIATIVE NO. \_\_\_\_\_

**SECTION 1. FINDINGS.** The People of Seattle find and declare that the following measure is necessary in order to ensure that to the greatest extent reasonably practicable that workers of Seattle have social and economic wellbeing, and that the businesses that employ them also maintain their social and economic wellbeing. Adjusting business taxes will promote and sustain the social and economic wellbeing of Seattle's workers and businesses, and will ensure the vitality and prosperity of the local economy.

**SECTION 2. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.45 - BUSINESS LICENSE TAX IS AMENDED AS FOLLOWS:**

**5.45.050 Imposition of the tax—Tax or fee levied**

Except as provided in subsection 5.55.040.D.1, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the City, whether the person's office or place of business be within or without the City. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

A. Upon every person engaging within the City in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the City for sale or for commercial or industrial use, multiplied by the rate of ~~.00215~~ .001075. The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

B. Upon every person engaging within the City in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured or processed within the City, multiplied by the rate of ~~.00215~~ .001075. The measure of the tax is the value of the products, including by-products, so manufactured or processed, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

C. Upon every person engaging within the City in the business of making sales of retail services, or making sales at wholesale or retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of ~~.00215~~ .001075.

D. Upon every person engaging within the City in the business of:

1. Printing;
2. Both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items;
3. Publishing newspapers, magazines and periodicals;
4. Extracting for hire;
5. Processing for hire; or
6. Conducting a tour operator business; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of ~~.00215~~ .001075.

E. Upon every motor carrier engaging within the City in the business of transporting freight for hire, as to such persons, the amount of the tax with respect to such business shall be equal to the gross income from the transport of freight picked up in the City multiplied by the rate of ~~.00415~~ .002075. The business of transporting freight for hire includes the business of leasing or renting motor vehicles operated by the lessor, or by a person under the control of the lessor, to transport freight for hire.

F. Upon every person engaging within the City in the business of providing international investment management services, as to such persons, the amount of tax with respect to such business shall be equal to the gross income or gross proceeds of sales of the business multiplied by a rate of ~~.0015~~ .00075.

G. Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of ~~.00415~~ .002075. This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing, or producing custom software or of customizing canned software, producing royalties or commissions, persons engaged in the business of freight brokering, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

**SECTION 3. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.46 - SQUARE FOOTAGE TAX IS AMENDED AS FOLLOWS:**

**5.46.030 Tax Imposed—Measure of the Tax.**

A. A square footage business tax for the act or privilege of engaging in business activities within the city is hereby levied upon and shall be collected from every person that leases, owns, occupies or otherwise maintains an office or place of business within the city. The tax shall be measured by the number of square feet of business floor space and other floor space for each office or place of business leased, owned, occupied or otherwise maintained within the city during the reporting period.

B. The amount of the tax due shall be equal to the sum of the number of square feet of business floor space for each office or place of business

leased, owned, occupied or otherwise maintained within the city multiplied by the rate of ~~\$0.39~~ \$0.195 quarterly (~~\$1.56~~ \$0.78 annually), and the number of square feet of other floor space for each office or place of business leased, owned, occupied or otherwise maintained within the city multiplied by the rate of ~~\$0.13~~ \$0.065 quarterly (~~\$0.52~~ \$0.26 annually). The Director will adjust the square footage business tax rate annually for inflation as follows: the tax rate for a year will be equal to the tax rate for the previous year increased (or decreased) by the percentage change in the annual Seattle-Tacoma-Bremerton, WA consumer price index for all urban consumers (CPI-U) for the previous year.

C. Persons with more than one office or place of business must include all business floor space and other floor space for all locations. When a person rents space to another person, the person occupying the rental space is responsible for the square footage business tax on that rental space only if the renter has exclusive right of possession in the space as against the landlord. Space rented for the storage of goods in a warehouse where no walls separate the goods, and where the exclusive right of possession in the space is not held by the person to whom the space is rented, shall be included in the other floor space of the person that operates the warehouse business, and not by the business renting the warehouse space.

D. Persons whose business floor space, other floor space, or period of occupancy changes during a reporting period shall prorate the business floor space or other floor space for the reporting period. A change in the period of occupancy during the reporting period shall be prorated using a ratio of the number of days of occupancy during the reporting period compared to the total number of days within the reporting period. If the amount of business floor space or other floor space changes during the reporting period, floor space for the period shall be computed as a weighted average of the rentable space occupied during different segments of the reporting period. Weighting will be based upon the percentage of the reporting period that a given amount of space was leased, owned, occupied, or otherwise maintained within the city.

E. Any person required to pay the square footage business tax imposed in this chapter that also pays the business license tax as imposed in Section 5.45.050 may take a credit against the square footage business tax computed as follows:

1. The credit is equal to the square footage business tax owed for the reporting period multiplied by the ratio of adjusted gross income derived from the Seattle business location(s) for the reporting period to the total gross income derived from the Seattle business location(s) for the reporting period.
2. For the purpose of this section, "total gross income derived from the Seattle business location(s)" is equal to the total gross income derived from the business activities rendered by, generated from, or attributable to the place(s) of business located within the city.
3. For the purpose of this section, "adjusted gross income derived from the Seattle business location(s)" shall include total gross income derived from the Seattle business location(s) less:
  - (a) income derived from the sales of tangible personal property and retail services by the Seattle business location(s) delivered to a location within the State of Washington where no local jurisdiction imposes an eligible gross receipts tax; and
  - (b) the gross income of the Seattle business location(s) subject to the business license tax under subsection 5.45.050.G as determined by Section 5.45.060 through Section 5.45.080 less the gross income of the Seattle business location(s) subject to the business license tax under subsection 5.45.050.G as determined by Section 5.45.060 through Section 5.45.076 and Section 5.45.081

When the change in income calculated in subsection 3(b) is a negative number, the amount so calculated shall reduce the amount calculated in subsection 3(a); however, if the sum of the totals calculated under subsections 3(a) and 3(b) is a negative number, then the adjusted gross income derived from the Seattle business location(s) shall be equal to the total gross income derived from the Seattle business location(s).

4. In computing the tax credit, any gross receipts from manufacturing, extracting, and printing, and also subject to a selling tax (such as retailing and wholesaling) according to the Multiple Activity Tax Credit (Section 5.45.070), shall be included in the gross income and the adjusted gross income only once.

**SECTION 4. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.55.040, WHEN DUE AND PAYABLE—REPORTING PERIODS—MONTHLY, QUARTERLY, AND ANNUAL RETURNS—THRESHOLD PROVISIONS—COMPUTING TIME PERIODS—FAILURE TO FILE RETURNS IS AMENDED AS FOLLOWS:**

A. Other than any annual license fee or registration fee assessed under this chapter, the tax imposed by SMC Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Business Tax), 5.48 (Utility Tax), and 5.52 (Gambling Tax), shall be due and payable in quarterly installments. The Director may use his or her discretion to assign businesses to a monthly or annual reporting period depending on the tax amount owing or type of tax. Taxes imposed by SMC Section 5.52.030 A2 and B2 for punchboards and pulltabs shall be due and payable in monthly installments. Tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return.

B. Taxes shall be paid as provided in this chapter and accompanied by a return on forms as prescribed by the Director. The return shall be signed by the taxpayer personally or by a responsible officer or agent of the taxpayer. The individual signing the return shall swear or affirm that the information in the return is true and complete.

C. Tax returns must be filed and taxes must be paid on or before the last day of the next month following the end of the assigned reporting period covered by the return. Tax returns must be filed whether or not any tax is owed. Returns not received on or before the due date are subject to penalties and interest in accordance with this chapter, in addition to any other civil or criminal sanction or remedy that may be available.

D. 1. For purposes of the tax imposed by SMC Chapter 5.45, any person whose gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the city subject to tax after all allowable deductions, is less than the tax threshold amount defined in subsection D 3, below, in the current calendar year, shall complete and file a return, declare no tax due on their return, and submit the return to the Director. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due.

2. Any person who reasonably estimates that the gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the city subject to tax after all allowable deductions, will be less than the tax threshold amount defined in subsection D 3 below, in the current calendar year may file a declaration so stating on a form supplied by the Director at the same time he or she files his or her application for a business license or a renewal. The Director may assign any person who files such declaration to an annual reporting period.

3. For calendar years prior to 2008, the Business and Occupation tax threshold amount shall remain at Fifty Thousand Dollars (\$50,000) as established under Ordinance 116945. For calendar years 2008 and thereafter, the Business and Occupation tax threshold amount shall be Eighty Thousand Dollars (\$80,000).

Ord. 123039, § 1, of 2009 amended subsection D.3., effective January 1, 2010, to read as follows: 3. For calendar years prior to 2008, the Business and Occupation tax threshold amount shall remain at Fifty Thousand Dollars (\$50,000) as established under Ordinance 116945. For calendar years 2008 and 2009, the Business and Occupation tax threshold amount shall be Eighty Thousand Dollars (\$80,000). For calendar years 2010 and thereafter, to 2014 the Business and Occupation tax threshold amount shall be One Hundred Thousand Dollars (\$100,000)-, for calendar year 2015 the Business and Occupation tax threshold amount shall be Two Hundred Fifty Thousand Dollars (\$250,000), and for every calendar years after 2015 the threshold amount shall be adjusted annually for inflation as follows: the tax rate for a year will be equal to the tax rate for the previous year increased (or decreased) by the percentage change in the annual Seattle-Tacoma-Bremerton, WA consumer price index for all urban consumers (CPI-U) for the previous year.

E. A taxpayer who commences to engage in business activity shall file a return and pay the tax or fee for the portion of the reporting period during which he or she is engaged in business activity subject to the conditions set forth in subsection D, above.

F. Except as otherwise specifically provided by any other provision of this chapter, in computing any period of days prescribed by this chapter the day of the act or event from which the designated period of time runs shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday, or City or Federal legal holiday, in which case the last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or City or Federal legal holiday.

G. If any taxpayer fails, neglects or refuses to file his or her return as and when required in this chapter, the Director is authorized to determine the amount of the tax or fees due by obtaining facts and information upon which to base his or her good faith estimate of the tax or fees due. Such assessment shall be deemed prima facie correct and shall be the amount of tax owed to the City by the taxpayer, except as provided herein. The Director shall notify the taxpayer by mail of the amount of tax so determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable-, unless the taxpayer files their return for the outstanding tax period(s) and pays in full any outstanding taxes, fees, interest or penalties due for those return periods.

#### SECTION 5. EXCEPTIONS.

The requirements of this ordinance shall not apply where and to the extent that state or federal law or regulations preclude their applicability. To the extent that state or federal law or regulations require the consent of another legal entity, such as a municipality, port district, or county, prior to becoming effective, the City Mayor and City Council is directed to formally and publicly request that such consent be given.

**SECTION 6. CONFORMITY WITH SEATTLE MUNICIPAL CODE.** The City Clerk or other City of Seattle official charged with code revision is authorized to change the numbering and formatting of this Ordinance in order that it conforms with the Seattle Municipal Code's codification and numbering scheme, all in a manner that is consistent with the intent and language of this Ordinance.

#### SECTION 7. EFFECTIVE DATE.

The effective date of this Ordinance shall be January 1, 2015.

#### SECTION 8. CONSTRUCTION CLAUSE.

The provisions of this ordinance are to be liberally construed to effectuate the intent, policies, and purposes of this ordinance.

**SECTION 9. SEVERABILITY.** If any provision of this Ordinance is declared illegal, invalid or inoperative, in whole or in part, or as applied to an employer covered by this Chapter, and/or in any particular circumstance, by the final decision of any court of competent jurisdiction, then all portions and applications of this Ordinance not declared illegal, invalid or inoperative, shall remain in full force or effect to the maximum extent permissible under law.

#### SECTION 10.

The City Attorney is directed to fully defend against any challenge to this ordinance and/or to its application to any person, property or circumstance.

#### SECTION 11. MISCELLANEOUS.

This Ordinance may be known and cited as the "Worker and Business Sustainability Ordinance".

#### SECTION 12. EMERGENCY.

This ordinance is necessary for the immediate preservation of the public peace, health, or safety, or support of the City government and its existing public institutions, and takes effect on January 1, 2015.

**PLEASE RETURN THIS SIGNED PETITION AS SOON AS POSSIBLE  
TO THE INITIATIVE SPONSOR**

### Initiative Sponsor Information:

Biz Tax Relief, a community non-profit organization

Office: 4027 21<sup>st</sup> Avenue West  
Seattle, WA 98199

#### Contact Phone Numbers:

Office: 206-283-0298

Email: [contact@biztaxrelief.org](mailto:contact@biztaxrelief.org)

Fax: 206-283-6300

Website: [www.biztaxrelief.org](http://www.biztaxrelief.org)



City of Seattle  
Legislative Department  
Office of the City Clerk



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Monica Martinez Simmons, City Clerk

**Certified Mail**  
**#70111150000147890539**

March 28, 2014

Ms. Elizabeth Campbell  
4027 21<sup>st</sup> Avenue West, Suite 205  
Seattle, WA 98199

**Subject: *Initiative Measure No. 112***

Dear Ms. Campbell:

The subject initiative measure filed with my office on March 21, 2014, designated Initiative Measure No. 112, has been reviewed and approved as to form and filed as Clerk File No. 313676. The ballot title has been prepared by the City Attorney's Office in accordance with SMC 2.08.020 and reads as follows:

**THE CITY OF SEATTLE  
INITIATIVE MEASURE NUMBER 112**

The City of Seattle Initiative Measure Number 112 concerns amending the City's business license tax code provisions.

If enacted, the measure would reduce the City's business license tax rates by half; raise the small business tax threshold from \$80,000 to \$100,000 for calendar years 2010 through 2014 and to \$250,000 for 2015 and subsequent years, with adjustments for inflation after 2015; and provide an opportunity for taxpayers who receive an estimated tax assessment, because they have not filed a return, to file a return and pay based upon their return rather than the estimate.

Should this measure be enacted into law?

Yes

No

[End of Title]

600 4<sup>th</sup> Avenue, Floor 3, PO Box 94728, Seattle, Washington 98124-4728  
(206) 684-8344 Fax: (206) 386-9025 TTY: (206) 233-0025  
email: [clerk@seattle.gov](mailto:clerk@seattle.gov)

Accommodations for people with disabilities provided upon request. An equal opportunity employer

Elizabeth Campbell  
March 28, 2014  
Page 2

The initiative process is outlined in Article IV, Section 1.B of the City Charter, Seattle Municipal Code Section 2.08, and the Revised Code of Washington (RCW) 29A.36.071, .080, and .090. Please be advised the signed petitions for Initiative Measure No. 112 must be filed with the City Clerk within 180 days from approval notification. The 180-day count begins Saturday, March 29, 2014. The number of signatures required shall be equal to or not less than ten (10) percent of the total number of votes cast for the office of Mayor at the last preceding municipal election (2013). The minimum number of resident registered voter signatures required is 20,638 and shall be filed with my office no later than the end of the business day on Wednesday, September 24, 2014, 5:00 p.m. The appropriate documentation and petition signatures will then be transmitted to the King County Elections Department for verification of the sufficiency of signatures in accordance with state law.

Should you have any questions, please feel free to contact me at (206) 684-8361 or via e-mail at [Monica.simmons@seattle.gov](mailto:Monica.simmons@seattle.gov)

Very truly yours,

Monica Martinez Simmons  
City Clerk

*Cc: Mayor Murray*  
*City Councilmembers*  
*Peter Holmes, City Attorney*  
*Jeff Slayton, Assistant, City Attorney*  
*Wayne Barnett, Director, EEC*

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**Legislative Department  
Office of City Clerk  
Memorandum**

**Date:** March 21, 2014  
**To:** Peter Holmes, City Attorney  
**From:** Emilia M. Sanchez, Deputy City Clerk *EMS*  
**Subject:** Notification of Proposed Initiative 112 Submittal

Please find attached Clerk File No. 313676, which contains proposed Initiative Measure No. 112, a proposed Ordinance proposing a reduction in business and occupation taxes in the City of Seattle.

The proposed initiative was filed with the Office of the City Clerk on Friday, March 21, 2014, at 11:48 a.m. The proposed initiative is being transmitted to you for preparation of a ballot title pursuant to Article IV, Section 1B of the City Charter and Seattle Municipal Code, Section 2.08. Elizabeth Campbell personally filed the proposed initiative measure and provided the following contact information: Elizabeth Campbell, 4027 21<sup>st</sup> Avenue West Suite 205, Seattle, Washington 98199; Phone number 206-769-8459; Email address eacampbell@democracyworkshop.com.

Thank you for your attention to this matter. If I may assist in any way, please contact Monica Martinez Simmons at ext. 48361 or me at ext. 3-3863.

Attachment (CF 313676)

cc: Mayor Murray  
City Councilmembers  
Wayne Barnett, Executive Director Seattle Ethics and Elections Commission



**MEMORANDUM**

TO: Monica Martinez Simmons, City Clerk

FROM: Kent Meyer, Assistant City Attorney

SUBJECT: Ballot Title for Initiative 112 (Clerk File 313676)

DATE: March 28, 2014

***Via e-mail and hand-delivered***

In response to your March 21, 2014 memorandum regarding proposed Initiative Measure 112, this office has established the following ballot title:

**THE CITY OF SEATTLE  
INITIATIVE MEASURE NUMBER 112**

The City of Seattle Initiative Measure Number 112 concerns amending the City's business license tax code provisions.

If enacted, the measure would reduce the City's business license tax rates by half; raise the small business tax threshold from \$80,000 to \$100,000 for calendar years 2010 through 2014 and to \$250,000 for 2015 and subsequent years, with adjustments for inflation after 2015; and provide an opportunity for taxpayers who receive an estimated tax assessment, because they have not filed a return, to file a return and pay based upon their return rather than the estimate.

Should this measure be enacted into law?

Yes

No

Please file this title with King County Elections. If you have any questions, please contact me at 615-1960.

**City of Seattle  
Legislative Department  
Office of the City Clerk**



**Monica Martinez Simmons, City Clerk**

**Certified Mail  
#70111150000147890539**

March 28, 2014

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[End of Title]

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Elizabeth Campbell

March 28, 2014

Page 2

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Very truly yours,



Monica Martinez Simmons

City Clerk

*Cc: Mayor Murray*

*City Councilmembers*

*Peter Holmes, City Attorney*

*Jeff Slayton, Assistant, City Attorney*

*Wayne Barnett, Director, EEC*

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INITIATIVE \_\_ CUT BUSINESS TAXES

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INITIATIVE PETITION FOR SUBMISSION TO THE SEATTLE CITY COUNCIL. To the City Council of The City of Seattle: We, the undersigned registered voters of The City of Seattle, State of Washington, propose and ask for the enactment as an ordinance of the measure known as Initiative Measure No. .... entitled:

(established ballot title of the measure)

a full, true and correct copy of which is included herein, and we petition the Council to enact said measure as an ordinance; and, if not enacted within forty-five (45) days from the time of receipt thereof by the City Council, then to be submitted to the qualified electors of The City of Seattle for approval or rejection at the next regular election or at a special election in accordance with Article IV, Section 1 of the City Charter; and each of us for himself or herself says: I have personally signed this petition; I am a registered voter of The City of Seattle, State of Washington, and my residence address is correctly stated.

( \* Only Registered Seattle Voters Can Sign This Petition \* )

Petitioner's Signature	Petitioner's Printed Name	Residence Address Street and Number (if any)	Date Signed
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FILED  
CITY OF SEATTLE  
2014 MAR 21 AM 11:49  
CITY CLERK



## COMPLETE TEXT OF INITIATIVE NO. \_\_\_\_\_

**SECTION 1. FINDINGS.** The People of Seattle find and declare that the following measure is necessary in order to ensure that to the greatest extent reasonably practicable that workers of Seattle have social and economic wellbeing, and that the businesses that employ them also maintain their social and economic wellbeing. Adjusting business taxes will promote and sustain the social and economic wellbeing of Seattle's workers and businesses, and will ensure the vitality and prosperity of the local economy.

### **SECTION 2. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.45 - BUSINESS LICENSE TAX IS AMENDED AS FOLLOWS:**

#### **5.45.050 Imposition of the tax—Tax or fee levied**

Except as provided in subsection 5.55.040.D.1, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the City, whether the person's office or place of business be within or without the City. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

A. Upon every person engaging within the City in business as an extractor, as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the City for sale or for commercial or industrial use, multiplied by the rate of ~~.00215~~ .001075. The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

B. Upon every person engaging within the City in business as a manufacturer, as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured or processed within the City, multiplied by the rate of ~~.00215~~ .001075. The measure of the tax is the value of the products, including by-products, so manufactured or processed, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

C. Upon every person engaging within the City in the business of making sales of retail services, or making sales at wholesale or retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of ~~.00215~~ .001075.

D. Upon every person engaging within the City in the business of:

1. Printing;
2. Both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items;
3. Publishing newspapers, magazines and periodicals;
4. Extracting for hire;
5. Processing for hire; or
6. Conducting a tour operator business; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of ~~.00215~~ .001075.

E. Upon every motor carrier engaging within the City in the business of transporting freight for hire, as to such persons, the amount of the tax with respect to such business shall be equal to the gross income from the transport of freight picked up in the City multiplied by the rate of ~~.00415~~ .002075. The business of transporting freight for hire includes the business of leasing or renting motor vehicles operated by the lessor, or by a person under the control of the lessor, to transport freight for hire.

F. Upon every person engaging within the City in the business of providing international investment management services, as to such persons, the amount of tax with respect to such business shall be equal to the gross income or gross proceeds of sales of the business multiplied by a rate of ~~.0015~~ .00075.

G. Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of ~~.00415~~ .002075. This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing, or producing custom software or of customizing earned software, producing royalties or commissions, persons engaged in the business of freight brokering, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

### **SECTION 3. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.46 - SQUARE FOOTAGE TAX IS AMENDED AS FOLLOWS:**

#### **5.46.030 Tax Imposed—Measure of the Tax.**

A. A square footage business tax for the act or privilege of engaging in business activities within the city is hereby levied upon and shall be collected from every person that leases, owns, occupies or otherwise maintains an office or place of business within the city. The tax shall be measured by the number of square feet of business floor space and other floor space for each office or place of business leased, owned, occupied or otherwise maintained within the city during the reporting period.

B. The amount of the tax due shall be equal to the sum of the number of square feet of business floor space for each office or place of business

leased, owned, occupied or otherwise maintained within the city multiplied by the rate of ~~\$0.39~~ \$0.195 quarterly (~~\$1.56~~ \$0.78 annually), and the number of square feet of other floor space for each office or place of business leased, owned, occupied or otherwise maintained within the city multiplied by the rate of ~~\$0.13~~ \$0.065 quarterly (~~\$0.52~~ \$0.26 annually). The Director will adjust the square footage business tax rate annually for inflation as follows: the tax rate for a year will be equal to the tax rate for the previous year increased (or decreased) by the percentage change in the annual Seattle-Tacoma-Bremerton, WA consumer price index for all urban consumers (CPI-U) for the previous year.

C. Persons with more than one office or place of business must include all business floor space and other floor space for all locations. When a person rents space to another person, the person occupying the rental space is responsible for the square footage business tax on that rental space only if the renter has exclusive right of possession in the space as against the landlord. Space rented for the storage of goods in a warehouse where no walls separate the goods, and where the exclusive right of possession in the space is not held by the person to whom the space is rented, shall be included in the other floor space of the person that operates the warehouse business, and not by the business renting the warehouse space.

D. Persons whose business floor space, other floor space, or period of occupancy changes during a reporting period shall prorate the business floor space or other floor space for the reporting period. A change in the period of occupancy during the reporting period shall be prorated using a ratio of the number of days of occupancy during the reporting period compared to the total number of days within the reporting period. If the amount of business floor space or other floor space changes during the reporting period, floor space for the period shall be computed as a weighted average of the rentable space occupied during different segments of the reporting period. Weighting will be based upon the percentage of the reporting period that a given amount of space was leased, owned, occupied, or otherwise maintained within the city.

E. Any person required to pay the square footage business tax imposed in this chapter that also pays the business license tax as imposed in Section 5.45.050 may take a credit against the square footage business tax computed as follows:

1. The credit is equal to the square footage business tax owed for the reporting period multiplied by the ratio of adjusted gross income derived from the Seattle business location(s) for the reporting period to the total gross income derived from the Seattle business location(s) for the reporting period.
2. For the purpose of this section, "total gross income derived from the Seattle business location(s)" is equal to the total gross income derived from the business activities rendered by, generated from, or attributable to the place(s) of business located within the city.
3. For the purpose of this section, "adjusted gross income derived from the Seattle business location(s)" shall include total gross income derived from the Seattle business location(s) less:

(a) income derived from the sales of tangible personal property and retail services by the Seattle business location(s) delivered to a location within the State of Washington where no local jurisdiction imposes an eligible gross receipts tax; and

(b) the gross income of the Seattle business location(s) subject to the business license tax under subsection 5.45.050.G as determined by Section 5.45.060 through Section 5.45.080 less the gross income of the Seattle business location(s) subject to the business license tax under subsection 5.45.050.G as determined by Section 5.45.060 through Section 5.45.076 and Section 5.45.081.

When the change in income calculated in subsection 3(b) is a negative number, the amount so calculated shall reduce the amount calculated in subsection 3(a); however, if the sum of the totals calculated under subsections 3(a) and 3(b) is a negative number, then the adjusted gross income derived from the Seattle business location(s) shall be equal to the total gross income derived from the Seattle business location(s).

4. In computing the tax credit, any gross receipts from manufacturing, extracting, and printing, and also subject to a selling tax (such as retailing and wholesaling) according to the Multiple Activity Tax Credit (Section 5.45.070), shall be included in the gross income and the adjusted gross income only once.

### **SECTION 4. SEATTLE MUNICIPAL CODE TITLE 5 - REVENUE, FINANCE AND TAXATION SUBTITLE II - TAXES CHAPTER 5.55.040, WHEN DUE AND PAYABLE—REPORTING PERIODS—MONTHLY, QUARTERLY, AND ANNUAL RETURNS—THRESHOLD PROVISIONS—COMPUTING TIME PERIODS—FAILURE TO FILE RETURNS IS AMENDED AS FOLLOWS:**

A. Other than any annual license fee or registration fee assessed under this chapter, the tax imposed by SMC Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Business Tax), 5.48 (Utility Tax), and 5.52 (Gambling Tax), shall be due and payable in quarterly installments. The Director may use his or her discretion to assign businesses to a monthly or annual reporting period depending on the tax amount owing or type of tax. Taxes imposed by SMC Section 5.52.030 A2 and B2 for punchboards and pulltabs shall be due and payable in monthly installments. Tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return.

B. Taxes shall be paid as provided in this chapter and accompanied by a return on forms as prescribed by the Director. The return shall be signed by the taxpayer personally or by a responsible officer or agent of the taxpayer. The individual signing the return shall swear or affirm that the information in the return is true and complete.

C. Tax returns must be filed and taxes must be paid on or before the last day of the next month following the end of the assigned reporting period covered by the return. Tax returns must be filed whether or not any tax is owed. Returns not received on or before the due date are subject to penalties and interest in accordance with this chapter, in addition to any other civil or criminal sanction or remedy that may be available.

D. 1. For purposes of the tax imposed by SMC Chapter 5.45, any person whose gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the city subject to tax after all allowable deductions, is less than the tax threshold amount defined in subsection D 3, below, in the current calendar year, shall complete and file a return, declare no tax due on their return, and submit the return to the Director. The gross receipts and deduction amounts shall be entered on the tax return even though no tax may be due.

2. Any person who reasonably estimates that the gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the city subject to tax after all allowable deductions, will be less than the tax threshold amount defined in subsection D 3 below, in the current calendar year may file a declaration so stating on a form supplied by the Director at the same time he or she files his or her application for a business license or a renewal. The Director may assign any person who files such declaration to an annual reporting period.

3. For calendar years prior to 2008, the Business and Occupation tax threshold amount shall remain at Fifty Thousand Dollars (\$50,000) as established under Ordinance 116945. For calendar years 2008 and thereafter, the Business and Occupation tax threshold amount shall be Eighty Thousand Dollars (\$80,000).

Ord. 123039, § 1, of 2009 amended subsection D.3., effective January 1, 2010, to read as follows: 3. For calendar years prior to 2008, the Business and Occupation tax threshold amount shall remain at Fifty Thousand Dollars (\$50,000) as established under Ordinance 116945. For calendar years 2008 and 2009, the Business and Occupation tax threshold amount shall be Eighty Thousand Dollars (\$80,000). For calendar years 2010 and thereafter, to 2014 the Business and Occupation tax threshold amount shall be One Hundred Thousand Dollars (\$100,000)– for calendar year 2015 the Business and Occupation tax threshold amount shall be Two Hundred Fifty Thousand Dollars (\$250,000), and for every calendar years after 2015 the threshold amount shall be adjusted annually for inflation as follows: the tax rate for a year will be equal to the tax rate for the previous year increased (or decreased) by the percentage change in the annual Seattle-Tacoma-Bremerton, WA consumer price index for all urban consumers (CPI-U) for the previous year.

E. A taxpayer who commences to engage in business activity shall file a return and pay the tax or fee for the portion of the reporting period during which he or she is engaged in business activity subject to the conditions set forth in subsection D, above.

F. Except as otherwise specifically provided by any other provision of this chapter, in computing any period of days prescribed by this chapter the day of the act or event from which the designated period of time runs shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday, or City or Federal legal holiday, in which case the last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or City or Federal legal holiday.

G. If any taxpayer fails, neglects or refuses to file his or her return as and when required in this chapter, the Director is authorized to determine the amount of the tax or fees due by obtaining facts and information upon which to base his or her good faith estimate of the tax or fees due. Such assessment shall be deemed prima facie correct and shall be the amount of tax owed to the City by the taxpayer, except as provided herein. The Director shall notify the taxpayer by mail of the amount of tax so determined, together with any penalty, interest, and fees due; the total of such amounts shall thereupon become immediately due and payable, unless the taxpayer files their return for the outstanding tax period(s) and pays in full any outstanding taxes, fees, interest or penalties due for those return periods.

#### SECTION 5. EXCEPTIONS.

The requirements of this ordinance shall not apply where and to the extent that state or federal law or regulations preclude their applicability. To the extent that state or federal law or regulations require the consent of another legal entity, such as a municipality, port district, or county, prior to becoming effective, the City Mayor and City Council is directed to formally and publicly request that such consent be given.

**SECTION 6. CONFORMITY WITH SEATTLE MUNICIPAL CODE.** The City Clerk or other City of Seattle official charged with code revision is authorized to change the numbering and formatting of this Ordinance in order that it conforms with the Seattle Municipal Code's codification and numbering scheme, all in a manner that is consistent with the intent and language of this Ordinance.

#### SECTION 7. EFFECTIVE DATE.

The effective date of this Ordinance shall be January 1, 2015.

#### SECTION 8. CONSTRUCTION CLAUSE.

The provisions of this ordinance are to be liberally construed to effectuate the intent, policies, and purposes of this ordinance.

**SECTION 9. SEVERABILITY.** If any provision of this Ordinance is declared illegal, invalid or inoperative, in whole or in part, or as applied to an employer covered by this Chapter, and/or in any particular circumstance, by the final decision of any court of competent jurisdiction, then all portions and applications of this Ordinance not declared illegal, invalid or inoperative, shall remain in full force or effect to the maximum extent permissible under law.

#### SECTION 10.

The City Attorney is directed to fully defend against any challenge to this ordinance and/or to its application to any person, property or circumstance.

#### SECTION 11. MISCELLANEOUS.

This Ordinance may be known and cited as the "Worker and Business Sustainability Ordinance".

#### SECTION 12. EMERGENCY.

This ordinance is necessary for the immediate preservation of the public peace, health, or safety, or support of the City government and its existing public institutions, and takes effect on January 1, 2015.

**PLEASE RETURN THIS SIGNED PETITION AS SOON AS POSSIBLE  
TO THE INITIATIVE SPONSOR**

#### Initiative Sponsor Information:

Biz Tax Relief, a community non-profit organization

Office: 4027 21<sup>st</sup> Avenue West  
Seattle, WA 98199

Contact Phone Numbers:  
Office: 206-283-0298

Email: [contact@biztaxrelief.org](mailto:contact@biztaxrelief.org)

Fax: 206-283-6300

Website: [www.biztaxrelief.org](http://www.biztaxrelief.org)



City of Seattle  
Legislative Department  
Office of the City Clerk



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Monica Martinez Simmons, City Clerk

Certified Mail #70111150000147890546

March 28, 2014

Sherril Huff, Director  
King County Elections  
919 Southwest Grady Way  
Renton, WA 98057-2906

***Subject: Initiative Measure No. 112***

Dear Ms. Huff:

Please be advised that the proposed subject initiative petition was filed as Clerk File No. 313676 on March 21, 2014. This initiative petition has been designated Initiative Measure No. 112 and concerns amending the City's business license tax code provisions.

The Seattle City Attorney's Office has provided the following ballot title:

**THE CITY OF SEATTLE  
INITIATIVE MEASURE NUMBER 112**

The City of Seattle Initiative Measure Number 112 concerns amending the City's business license tax code provisions.

If enacted, the measure would reduce the City's business license tax rates by half; raise the small business tax threshold from \$80,000 to \$100,000 for calendar years 2010 through 2014 and to \$250,000 for 2015 and subsequent years, with adjustments for inflation after 2015; and provide an opportunity for taxpayers who receive an estimated tax assessment, because they have not filed a return, to file a return and pay based upon their return rather than the estimate.

Should this measure be enacted into law?

Yes

No

[End of Title]

600 4<sup>th</sup> Avenue Floor 3, PO Box 94728, Seattle, Washington 98124-4728  
(206) 684-8344 Fax: (206) 386-9025 TTY: (206) 233-0025  
email: [clerk@seattle.gov](mailto:clerk@seattle.gov)

Accommodations for people with disabilities provided upon request. An equal opportunity employer

Sherril Huff  
March 28, 2014  
Page 2

The initiative's proponents have been informed that the minimum number of resident registered voter signatures required is 20,638 and shall be filed with this office no later than Wednesday, September 24, 2014, 5:00p.m., for subsequent submittal to your office for verification of sufficiency of signatures.

Should you have any questions or if you need additional information, please do not hesitate to contact me at (206) 684-8361 or email [monica.simmons@seattle.gov](mailto:monica.simmons@seattle.gov).

Sincerely,

Monica Martinez Simmons  
City Clerk

cc: *Mayor Murray*  
*City Councilmembers*  
*Peter Holmes, City Attorney*  
*Jeff Slayton, Assistant, City Attorney*  
*Wayne Barnett, Executive Director, SEEC*