

2016 JUL 19 PM 3:42

Seattle Rule 5-004

Transfer of business license tax certificate

CITY CLERK

(1) Business license tax certificate is personal. The business license tax certificate is personal and nontransferable except as provided in 5.55.030(G) and this rule.

(2) New tax certificate required upon change in ownership. When a change in ownership of a business occurs, the new owner must apply for and obtain a new business license tax certificate, except as provided in subsection (3) of this rule (pertaining to when tax certificates may be transferred without any additional certificate fee). The original tax certificate must be destroyed, and any further use of the tax certificate is prohibited.

(a) When ownership change occurs. A change of ownership of a business occurs upon:

(i) The sale or transfer of a business by one person to another person;

(ii) The dissolution of a legal business entity;

(iii) The withdrawal, substitution, or addition of one or more partners in a partnership;

(iv) Incorporation of a business previously operated as a partnership (including limited liability companies) or sole proprietorship; or

(v) Changing the legal structure or controlling ownership interest(s) of a business.

(b) No change of ownership. A change of ownership of a business does not occur upon:

(i) The sale of a minority interest of the common stock of a corporation;

(ii) The transfer of assets to an assignee for the benefit of creditors or the appointment of a receiver or trustee in bankruptcy; or

(iii) A change in the trade name under which the business is conducted.

(3) When business license tax certificate may be transferred. A business license tax certificate may be transferred without an additional business license tax certificate fee:

(a) To the surviving or new corporation, whenever the corporation with a tax certificate is merged or consolidated pursuant to RCW Chapter 23B.11, as now or hereafter amended;

(b) To the surviving partner, or to a new partnership which consists exclusively of the surviving partners, whenever one (1) partner of a partnership with a tax certificate dies;

(c) To the surviving spouse, whenever one (1) spouse of a marital community with a tax certificate dies;

(d) To any one (1) or more former partners, whenever a partnership with a tax certificate is dissolved and one (1) or more of the former partners of the partnership with a tax certificate continue the operation of the business as an individual proprietorship or partnership without the addition of any new partner, and all of the other former partners consent in writing to the transfer of the tax certificate, which written consent shall be filed with the application for such transfer;

(e) To one (1) spouse, whenever a marital community with a tax certificate is dissolved and the other spouse consents in writing to the transfer of the tax certificate, which written consent shall be filed with the application for such transfer;

(f) In case of the death of any owner of a tax certificate before the expiration of his or her tax certificate, his or her administrator or executor, duly appointed as such by order of court, may continue to act under said tax certificate for the unexpired term thereof upon filing with the City proof of such appointment.

(4) Applying for a transfer. You must apply to the Director to request that a business license tax certificate be transferred and provide such information as the Director may require to verify the transferability of the tax certificate. The Director may require the completion of a new business license tax certificate application in order to reflect changes in the registered account. However, no additional business license tax certificate fee will be due. If the transfer takes place during the license renewal period the annual business license tax certificate fee will be due.

DIRECTOR'S CERTIFICATION

I, Glen M. Lee, 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 Finance and Administrative Services.

DATED this 14 day of July 2016.

CITY OF SEATTLE,

a Washington municipality

By: _____

Glen M. Lee, Finance Director

Department of Finance and Administrative Services

Effective date: July 14, 2016

MEMORANDUM

TO: Monica Martinez Simmons, City Clerk

FROM: Glen Lee, Finance Director
Joseph Cunha, City Tax Administrator, and
Mark Watterson, Tax Audit Manager
License & Tax Administration

DATE: July 19, 2016

RE: The Official Published Notice:
**Director's Business Tax Rules amendments and adoption for SMC
Chapter 5.45 effective July 14, 2016**

FILED
CITY OF SEATTLE
2016 JUL 19 PM 3:41
CITY CLERK

Please file the attached paperwork concerning the following amended City of Seattle "Tax Rules":

- 5-002 Business License Requirements
- 5-003 Business license suspension and revocation
- 5-004 Transfer of business license
- 5-005 Time payments
- 5-007 Penalties
- 5-008 Recordkeeping requirements
- 5-009 Limitations on tax assessments
- 5-012 Refunds
- 5-030 Persons making sales through a direct seller's representative
- 5-034 Finance charges, carrying charges, interest and penalties
- 5-039 Employees distinguished from persons engaging in business
- 5-043 Engaging in business
- 5-064 Credit losses, bad debts, recoveries
- 5-127 Sales to, and by, the State of Washington, counties, cities, school districts and other municipal subdivisions
- 5-129 Tribes and Tribal members/Citizens
- 5-132 Leased departments
- 5-133 Warranties and maintenance agreements
- 5-404 Sales of meals
- 5-481 Motor carriers - Trucking
- 5-531 Sales of real property, standing timber, minerals, natural resources
- 5-901 Admission tax exemption

Please file the attached paperwork concerning the following adopted City of Seattle "Tax Rule":

5-193 Waterborne Transportation

An Affidavit of Publication for the "Notice of Proposed Rule Hearing and Opportunity to Comment" that went to the *Daily Journal of Commerce* for publication on May 27, 2016 is also included in this packet. The required public hearing was held on June 16, 2016 at 10:00 A.M. in Seattle Municipal Tower.

If we can provide any additional information, please let us know. You may contact Mark Watterson, Tax Audit Manager (206) 233-7095 for any questions.

STATE OF WASHINGTON -- KING COUNTY

--SS.

337883

No.

CITY OF SEATTLE:FINANCE&ADMIN

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.

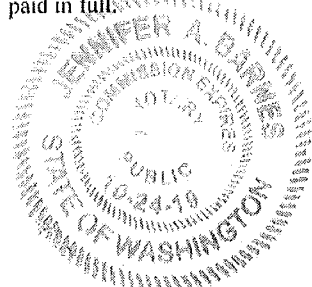
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:PROPOSED RULE MAKING

was published on

05/27/16

The amount of the fee charged for the foregoing publication is the sum of \$159.50 which amount has been paid in full.



Affidavit of Publication

05/27/2016

Subscribed and sworn to before me on

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 5.56, proposes to adopt new rules for implementing the Seattle Business License Tax Ordinance (Seattle Municipal Code Chapters 5.45 and 5.40). Please note that although these rules are applicable to SMC 5.45 and 5.40, 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 July 15, 2016:

Seattle Rule 5-002 Business license requirements

Seattle Rule 5-003 Business license suspension and revocation

Seattle Rule 5-004 Transfer of business license

Seattle Rule 5-005 Time payments

Seattle Rule 5-007 Penalties

Seattle Rule 5-008 Recordkeeping requirements

Seattle Rule 5-009 Limitations on tax assessments

Seattle Rule 5-012 Refunds

Seattle Rule 5-030 Persons making sales through a direct seller's representative

Seattle Rule 5-034 Finance charges, carrying charges, interest and penalties

Seattle Rule 5-039 Employees distinguished from persons engaging in business

Seattle Rule 5-043 Engaging in business

Seattle Rule 5-064 Credit losses, bad debts, recoveries

Seattle Rule 5-127 Sales to, and by, the state of Washington, counties, cities, school districts and other municipal subdivisions

Seattle Rule 5-129 Tribes and tribal members/citizens

Seattle Rule 5-132 Leased departments

Seattle Rule 5-133 Warranties and maintenance agreements

Seattle Rule 5-193 Waterborne transportation

Seattle Rule 5-404 Sales of meals

Seattle Rule 5-481 Motor carriers - Trucking

Seattle Rule 5-531 Sales of real property, standing timber, minerals, natural resources

Seattle Rule 5-901 Admission tax exemption

PUBLIC HEARING AND COMMENT:
The Department of Finance and Administrative Services has scheduled a public hearing on the proposed rule changes for 10 a.m. to noon, on June 16, 2016. The hearing will be held in a conference room on the 40th floor of the Seattle Municipal Tower, Suite 4090, located at 700 Fifth Ave. 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 Finance and
Administrative Services

Attn: Mark Watterson, Tax Manager

License and Tax Administration

700 Fifth Ave. - Suite 4250

P.O. Box 34214

Seattle, WA 98124-4214

The public may inspect copies of the proposed rules at the License and Tax Administration offices, 700 Fifth Ave., Suite 4250. If you would like a copy of the proposed rules, please call (206) 235-3769, FAX (206) 884-5170, email: tax@seattle.gov, or submit a written request to the address above.

Glen Lee, Finance Director, Department
of Finance and Administrative Services

Date of publication in the Seattle Daily
Journal of Commerce, May 27, 2016.

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