

**Title 5**  
**REVENUE, FINANCE AND TAXATION**

This title is intended for those provisions of the Code which relate to city taxation, funds, budgeting and claims against the city.

**The City Budget**

Pursuant to state law, RCW Chapter 35.32A, the city expends money for ordinary operating expenses only according to an annual budget.

The budget is prepared according to guidelines set forth in a budget manual prepared by the Office of Management and Budget (OMB). Preparation of the budget begins with the City Council's expression of those policies and issues it wishes to find in the budget. During the summer before a budget is to be adopted, individual departments submit their budget proposals and estimated revenues for the next year to OMB. During the early autumn, the Mayor considers appeals from departments regarding OMB's budget recommendations. The Mayor finalizes the proposed budget and presents it to the City Council for consideration.

Next, the City Council conducts public hearings upon the proposed budget, and individual Council Members (Budget Panels) intensively review portions of the proposed budget assigned to them. The Council's Budget Committee, after a briefing by OMB, adopts a statement of the next year's revenue estimates. Budget panels report back to the Budget Committee, and any budget changes are adopted.

On or just prior to December 1st, the City Council adopts the final budget for the following year.

Other major expenditures of the city are made pursuant to annual ordinances adopting a Capital Improvement Program and a Community Development Block Grant Program. The Capital Improvement Plan (CIP) and the Community Development Block Grant Proposals (CDBG) are also prepared by departments, reviewed by OMB and the Mayor, and proposed to the Council. They, too, are subject to public hearing and final Council approval.

# REVENUE, FINANCE AND TAXATION

The city budget, the Capital Improvement Plan, and the Community Development Block Grant Plan are available for public inspection at the City Clerk's office.

## Chapters:

### Subtitle I General Regulations<sup>1</sup>

- 5.04 Investment of City Funds
- 5.08 Transfers Between Department Budgets
- 5.12 Accounting Procedure
- 5.16 Warrants
- 5.20 Bills by City Departments for Labor or Materials
- 5.24 Claims for Injuries or Damages
- 5.28 Bonds in Civil Actions
- 5.32 Revenue Code

#### 1. Cross reference:

- Debt Management Policy Advisory Committee Ch. 3.76
- Salary Administration Policy Committee Ch. 3.78

For provisions regarding refunds of fees for blueprint or photography work and for certain Park and Recreation Department fees, see Chapter 3.106 of this Code.

### Subtitle II Taxes

- 5.40 Admission Tax
- 5.44 Business and Occupation Tax
- 5.48 Business Tax—Utilities
- 5.52 Gambling Tax
- 5.56 Leasehold Excise Tax
- 5.60 Sales and Use Tax

### Subtitle III Funds

- 5.76 Table of Funds

Seattle Municipal Code  
as adopted in 1980  
For current SMC, contact  
the Office of the City Clerk

Subtitle I General Regulations

Chapter 5.04

INVESTMENT OF CITY FUNDS

Sections:

5.04.010 Investment Committee authority.

Statutory Reference: For statutory provisions on investment of city funds, see RCW Ch. 35.39.

5.04.010 Investment Committee authority.

As contemplated by RCW 35.39.030, there is created an Investment Committee composed of the Mayor, the City Comptroller and the City Treasurer, which Committee is authorized on behalf of the city to invest all moneys in the City Treasury which in the judgment of the Committee are in excess of current city needs, in:

- A. United States bonds;
- B. United States certificates of indebtedness;
- C. Bonds or warrants of this state;
- D. General obligation or utility revenue bonds or warrants of the city or of any other city or town in the state;
- E. Bonds or warrants of a local improvement or condemnation award district of the city which is within the protection of the local improvement guaranty fund; and
- F. In other investments authorized by law; and the City Comptroller is directed to hold such investments for the credit of the funds from which purchased. The Committee is further authorized to convert the securities, or any part thereof, into cash and shall report to the City Council monthly all investment transactions.

(Ord. 94190 § 1, 1965.)

Chapter 5.08

TRANSFERS BETWEEN DEPARTMENT BUDGETS

Sections:

5.08.010 Budget Director's authority.

- 5.08.020 Transfer between program categories.
- 5.08.030 "Line item" budgets.
- 5.08.040 Requests procedure.

Statutory Reference: For statutory provisions on budgets in cities over 300,000, see RCW Ch. 35.32A.

5.08.010 Budget Director's authority.

The Budget Director's authority under RCW 35.32A.050 to approve transfers between allowances within the budget of a city department shall be exercised in accordance with regulations as set out in this chapter.

(Ord. 100895 § 1(part), 1972.)

5.08.020 Transfer between program categories.

No transfer between program categories within a department's budget shall be approved where such requested transfer is in an amount exceeding ten percent of the total original budgeted allowance for the program category to which such transfer is requested.

(Ord. 100895 § 1(1), 1972.)

5.08.030 "Line item" budgets.

Where a department has a "line item" budget, no transfer between line item allowances within such budget shall be approved where such requested transfer is in an amount exceeding ten percent of the total original budgeted allowance for the line item to which such transfer is requested.

(Ord. 100895 § 1(2), 1972.)

5.08.040 Requests procedure.

Requests for transfer between allowances within the budget of any city department shall be made in writing to the Budget Director on forms provided by him, and if the Budget Director shall approve the same, he shall forward a copy of such request with his approval in writing thereon to the Chairman of the Budget Committee of the City Council and shall notify in like manner the City Comptroller who shall thereby be authorized to draw and the City Treasurer to pay the necessary warrants and make the necessary transfers.

(Ord. 100895 § 1(3), 1972.)

Chapter 5.12

ACCOUNTING PROCEDURE<sup>1</sup>

Sections:

- 5.12.010 Authority of City Comptroller.
- 5.12.020 Monthly report.
- 5.12.030 Approval of report before publication.

1. Cross-reference: For provisions regarding the powers of the City Comptroller, see Charter Art. VIII.

5.12.010 Authority of City Comptroller.

When not otherwise prescribed pursuant to state law, the bookkeeping and accounting in all departments of the municipal government shall be done in the manner and form prescribed by, and subject to the approval of, the City Comptroller.

(Ord. 39034 § 1, 1918.)

5.12.020 Monthly report.

Every department of the municipal government keeping financial accounts shall monthly, on or before the 10th day of each and every month, transmit to the City Comptroller, a statement and report, in form to be prescribed by the City Comptroller, showing the financial transactions of the department during the previous month.

(Ord. 39034 § 2, 1918.)

5.12.030 Approval of report before publication.

Before any department, or officer thereof, shall give out, publish, or distribute for publication, to the public, any statement or report of financial transactions in such department, such statement or report shall first be submitted to, and approved by, the City Comptroller.

(Ord. 39034 § 3, 1918.)

Statutory Reference: For statutory provisions regarding disclosure of public records, see RCW Ch. 42.17.

Chapter 5.16

WARRANTS

Sections:

- 5.16.010 Cancellation of warrants.
- 5.16.020 Recordkeeping.

Statutory Reference: For statutory provisions on warrants, see RCW Ch. 39.56; for provisions on payment of warrants by the City Treasurer, see Charter Art. VIII § 9.

5.16.010 Cancellation of warrants.

Any warrant which is not delivered to the payee within one year from the date of issuance shall be cancelled and the amounts for which said warrants are drawn shall be credited to the several funds against which they are drawn, as follows:

A. The City Comptroller shall present all such warrants to the City Treasurer, who shall receive and cancel the same.

B. The City Treasurer shall issue receipts to the City Comptroller showing the receipt and cancellation of such warrants and showing that the amounts represented by such warrants have been credited to the different funds against which the same are drawn.

(Ord. 96239 § 1, 1967; Ord. 3622 § 1, 1894.)

5.16.020 Recordkeeping.

The City Comptroller shall keep a record of all such warrants so presented by him and cancelled by the City Treasurer, as provided in this chapter.

(Ord. 3622 § 2, 1894.)

Chapter 5.20

BILLS BY CITY DEPARTMENTS FOR LABOR OR MATERIALS

Sections:

- 5.20.010 Issuance of bill for labor or material.
- 5.20.020 Correction of bill by credit voucher.
- 5.20.030 Recordkeeping—Notification of payment.

**5.20.040 Deduction of credit voucher.**

**Chapter 5.24**

Statutory Reference: For provisions regarding the State Accounting Act, see RCW 43.09.210; for provisions regarding payment of claims against municipal corporations for contractual purposes, see RCW 42.24.080.

**CLAIMS FOR INJURIES OR DAMAGES<sup>1</sup>**

**Sections:**

**5.20.010 Issuance of bill for labor or material.**

When any department of the city shall furnish any labor or material to any person, the department shall render a bill for the labor or material as follows:

- A. Bills of each department to be issued in triplicate and to bear consecutive numbers;
- B. The original of the bill to be forwarded to the person receiving the labor or material;
- C. The duplicate of the bill to be forwarded, forthwith to the City Treasurer;
- D. The triplicate of the bill to be retained by the department issuing the same.

(Ord. 16066 § 1, 1907.)

- 5.24.010 Payment of certain claims—Claims Payment Fund.**
- 5.24.020 Interim payments—Generally.**
- 5.24.030 Interim payments—Reports.**
- 5.24.040 Advance Payment Claims Fund.**

Statutory Reference: For Charter provisions on claims for damages see Charter Art. IV § 24; for provisions on verification of claims, see Charter Art. VIII § 14; for statutory provisions on actions against political subdivisions, see RCW Ch. 4.96; for provisions on accident claims and funds, see RCW Ch. 35.31.

- 1. Cross-reference: For provisions regarding claims for medical expenses for citizens injured while aiding police, see Chapter 12A.62 of this Code.

**5.20.020 Correction of bill by credit voucher.**

The head of the department issuing any of the bills described in Section 5.20.010 is authorized to correct the bills at any time prior to their payment by the issuance of credit vouchers directed to the City Treasurer.

(Ord. 16066 § 2, 1907.)

Cases: A requirement that a claimant for damages against the city must state his residences for one year last past is unreasonable and therefore void. *Hase v. Seattle*, 51 Wn. 174, 98 P. 370 (1908).

It is a reasonable and valid requirement that claims against a city for personal injuries shall be in writing and filed with the City Clerk within thirty days. *Cole v. Seattle*, 64 Wn. 3, 116 P. 257 (1911).

**5.20.030 Recordkeeping—Notification of payment.**

The City Treasurer is directed to preserve the duplicate bills and render proper accounting therefor and to notify each of the various departments as to the payment of the bills upon request of the department.

(Ord. 16066 § 3, 1907.)

Only the City Council can waive the requirements for presenting claims against the city, and some affirmative cognizance of the claim, other than rejection by the Council, is necessary to establish such waiver. *Cole v. Seattle*, 64 Wn. 3, 116 P. 257 (1911).

Nonclaim statutes which require that tort claims against the state or lesser governmental entities be presented within shorter periods of time than that allowed for commencing a tort action against private parties are arbitrary, have no substantial or rational basis, and are violative of the equal protection clauses of the state and federal constitutions. Equal protection requires that such claims be presented, and action commenced if necessary, within the same period allowed for commencing such actions against private parties. *Hunter v. North Mason School District*, 85 Wn.2d 810, 53d P.2d 845 (1975).

**5.20.040 Deduction of credit voucher.**

When any credit voucher shall have been issued correcting any of the bills, the City Treasurer is directed to deduct the amount of the credit voucher from the face of the bill and accept the remaining amount thereof as full payment.

(Ord. 16066 § 4, 1907.)

**5.24.010 Payment of certain claims—Claims Payment Fund.**

A. The City Attorney is empowered to authorize payment of any claim against the city in

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an amount of not more than Two Thousand Five Hundred Dollars (\$2,500.00) and upon presentation of proper releases, and of vouchers approved by the City Attorney, the City Comptroller is authorized to draw and the City Treasurer to pay warrants on the Claims Payment Fund for the settlement and full satisfaction of any such claim.

B. There is established in the City Treasury a fund which shall be known as the "Claims Payment Fund" of The City of Seattle, into which fund shall be placed such amounts of money as shall be appropriated by the City Council and such sums as are reimbursements for claim payments, and from which fund shall be paid all claims in an amount of not more than Two Thousand Five Hundred Dollars (\$2,500.00) which have been authorized for payment by the City Attorney pursuant to subsection A. (Ord. 103167 §§ 1 and 3, 1974.)

### 5.24.020 Interim payments—Generally.

A. To provide interim financial assistance for claimants disabled by tortious conduct attributable to the city and its employees and agents acting within the scope and course of their employment, the City Attorney is authorized to make periodic payments to a claimant pending settlement or other disposition of his claim equivalent to not more than the claimant's net take-home pay if the City Attorney finds the following conditions to exist:

1. The claimant has been physically disabled as a result of an act or omission by the city or its employees and agents and for which the city is legally obligated to respond in damages, which physical disability precludes the claimant from engaging in gainful employment;

2. The claimant's loss of employment results in financial hardship and the claimant is without alternate financial resources to provide for the necessary costs of living;

3. Circumstances exist which preclude the early settlement or other disposition of claimant's claim;

4. The best interest of the city and the claimant will be served by making such interim payments.

B. As a condition to commencing such payments, the City Attorney shall secure from the claimant a written agreement that all payments made pursuant to this chapter shall be credited to the city against any settlement of the claim which may be arrived at and shall be credited

against any judgment which may be rendered against the city by reason of such claim in any court and such agreement may include such additional terms and conditions as the City Attorney determines are appropriate to serve the best interests of the city.

C. In addition to the payments covering wage losses the City Attorney may, prior to settlement of the claimant's claim or prior to judgment, pay medical costs, provide necessary transportation and other expenses which the claimant may be required to pay; provided, that all such payments under this chapter shall cease at such time as the City Attorney shall determine that one or more of the circumstances enumerated above have changed or that the total sum paid the claimant approximates the amount the claimant is likely to recover by reason of his injury.

(Ord. 100501 § 1, 1971.)

### 5.24.030 Interim payments—Reports.

Ten days prior to commencement of payments under Section 5.24.020, or modification thereof the City Attorney shall reduce his determinations to writing, shall state the estimated amount and frequency of interim financial assistance and deliver the same to the Mayor, the President of the City Council, and the head of the department concerned with the activity which gave rise to claimant's injury. Such reports shall be for the exclusive use of city and state officers until such time as the claim is settled or otherwise concluded, whereupon such report together with an accounting of all payments made under Section 5.24.020 shall be filed in the office of the City Comptroller. (Ord. 100501 § 2, 1971.)

### 5.24.040 Advance Payment Claims Fund.

There is established in the City Treasury an Advance Payment Claims Fund from which fund shall be paid the payments authorized in Section 5.24.020 and into which fund shall be paid appropriations thereto and reimbursements for such advance payments. The City Comptroller is authorized and directed to draw and the City Treasurer to pay warrants on said fund upon presentation of a voucher approved by the City Attorney.

(Ord. 100501 § 3, 1971.)

Chapter 5.28

BONDS IN CIVIL ACTIONS

Sections:

5.28.010 Execution by Mayor and Clerk.

5.28.010 Execution by Mayor and Clerk.  
When any civil action is brought by or against the city requiring at any stage thereof its execution of a bond on the part of the city such bond shall be executed by the Mayor and Clerk in behalf of the city and sealed with its Corporate Seal of the city and the Mayor and Clerk are authorized and empowered to execute such bonds. (Ord. 1177 § 1, 1889.)

Chapter 5.32

REVENUE CODE

Sections:

Subchapter I General Provisions

- 5.32.010 Citation.
- 5.32.020 Exercise of power to license for revenue.
- 5.32.030 Definitions.
- 5.32.040 License—Application and issuance.
- 5.32.050 License—Not transferable or assignable—Exceptions.
- 5.32.060 Duration of licenses—Termination prior to expiration.
- 5.32.070 Proration of annual license fee.
- 5.32.080 Payment of fees by NSF check.
- 5.32.090 Administrative inspection.
- 5.32.100 Rules and regulations.
- 5.32.110 Computation of time.
- 5.32.120 Unlawful acts.
- 5.32.130 Penalties.

Subchapter II Amusement Devices

- 5.32.140 Definitions.
- 5.32.150 License required.
- 5.32.160 Exemptions.
- 5.32.170 License fees.
- 5.32.180 License expiration.
- 5.32.190 Records—Location of devices.

5.32.200 Unlawful acts.

Severability: The invalidity of any section, subsection, provision, clause, or portion of this chapter, or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of this chapter or the validity of its application to other persons or circumstances. (Ord. 106024 § 1.900, 1976.)

Subchapter I General Provisions

5.32.010 Citation.

This chapter shall be known as the "Revenue License Code" of The City of Seattle, and may be so cited. (Ord. 106024 § 1.010, 1976.)

5.32.020 Exercise of power to license for revenue.

This chapter is an exercise of the power of the city to license for revenue. (Ord. 106024 § 1.020, 1976.)

5.32.030 Definitions.

A. Except as otherwise specifically provided in this chapter, the following words and terms shall have the meaning specified in this section:

1. "Administrative Code" means Ordinance 102228, as now or hereafter amended,<sup>1</sup> of The City of Seattle;
2. "Comptroller" means the Comptroller of The City of Seattle;
3. "Criminal Code" means the Seattle Criminal Code, Ordinance 102843, as now or hereafter amended<sup>2</sup>;
4. "Department" means the Department of Licenses and Consumer Affairs of The City of Seattle;
5. "Director" means the Director of Licenses and Consumer Affairs of The City of Seattle and shall include the Director's authorized representatives;
6. "General provisions" means Subchapter I of this chapter, as now or hereafter amended;
7. "Person" means any individual, partnership, corporation, trust, incorporated or unincorporated association, marital community, joint venture, or other legal entity or group of persons however organized.

B. Unless the context clearly indicates otherwise, the singular includes the plural, and the plural includes the singular. (Ord. 106024 § 1.030, 1976.)

1. Editor's Note: The Administrative Code is codified in Chapter 3.02 of this Code.  
2. Editor's Note: The Criminal Code is codified in Subtitle I of Title 12A of this Code.

**5.32.040 License—Application and issuance.**

Application for any license required by this chapter shall be made to the Director and shall be in such form and content as prescribed by the Director. Upon completion of the application and payment of all required fees, the Director shall issue the license.

(Ord. 107158 § 21, 1978; Ord. 106024 § 1.100, 1976.)

**5.32.050 License—Not transferable or assignable—Exceptions.**

A. A license is not assignable or transferable, except that a license may be transferred:

1. To the surviving or new corporation, whenever the licensed corporation is merged or consolidated pursuant to RCW Chapter 23A.20, as now or hereafter amended;

2. To the surviving partner, or to a new partnership which consists exclusively of the surviving partners, whenever one partner of a licensed partnership dies;

3. To the surviving spouse, whenever one spouse of a licensed marital community dies;

4. To any one or more former partners, whenever a licensed partnership is dissolved and one or more of the former partners of the licensed partnership 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 license, which written consent shall be filed with the application for such transfer;

5. To one spouse, whenever a licensed marital community is dissolved and the other spouse consents in writing to the transfer of the license, which written consent shall be filed with the application for such transfer.

B. As used in this section, the term "partnership" includes joint venture, and the term "partner" includes a coventurer.

(Ord. 106024 § 1.120, 1976.)

**5.32.060 Duration of licenses—Termination prior to expiration.**

A. Except as otherwise provided in this chapter, a license shall not be issued for any period other than the license period specified for that license.

B. Any license period specified by this chapter shall commence and expire on the calendar dates specified, whether or not such date is a

Saturday, Sunday, or city legal holiday.

C. Except as otherwise provided in this chapter all licenses shall be effective as of the beginning of the calendar date of issuance and shall remain continuously in effect to the end of the calendar date of expiration, unless terminated earlier pursuant to the provisions of this chapter; provided, that whenever any license is issued prior to the calendar date of the commencement of the license period, the license shall become effective at the beginning of that calendar date.

(Ord. 106024 § 1.150, 1976.)

**5.32.070 Proration of annual license fee.**

Except as otherwise provided in this chapter, if an application for a license is made during the last six months of an annual license period, the license fee shall be one-half of the annual license fee.

(Ord. 106024 § 1.200, 1976.)

**5.32.080 Payment of fees by NSF check.**

Whenever payment of any license fee imposed by this chapter is made by check which is returned for lack of sufficient funds or for any other reason, any license issued pursuant to payment by that check is void from the date of license issuance. Any void license shall be promptly returned to the Director and is subject to confiscation by the Director. The license may be reissued upon payment of the original amount plus an additional amount of Ten Dollars (\$10.00) by certified check, money order, or in cash.

(Ord. 106024 § 1.220, 1976.)

**5.32.090 Administrative inspection.**

The Director shall have authority to:

A. Inspect books, records, reports and other items and materials required by the provisions of this chapter to be kept and maintained or which pertain to business organization and information required to be included in an application for a license; provided, that the Director shall be authorized during any such inspection to ascertain that books, records, reports, and other items and materials are true and accurate documents;

B. Enter and inspect premises to ascertain that a license has been obtained for each activity for which a license is required by the provisions of this chapter;

C. Enter and inspect the premises at which

any licensed activity is or is about to be engaged in to ascertain that all license requirements applicable to such activity are being complied with.

(Ord. 106024 § 1.300, 1976.)

#### 5.32.100 Rules and regulations.

The Director may, in accordance with the provisions of the Administrative Code,<sup>1</sup> prescribe rules and regulations, not inconsistent with the provisions of this chapter, for the purpose of implementing and enforcing this chapter.

(Ord. 106024 § 1.400, 1976.)

1. Editor's Note: The Administrative Code is codified in Chapter 3.02 of this Code.

#### 5.32.110 Computation of time.

Except as otherwise specifically provided by the provisions 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 Saturday, Sunday, or a city legal holiday, in which event the last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or city legal holiday.

(Ord. 106024 § 1.500, 1976.)

#### 5.32.120 Unlawful acts.

It is unlawful for:

A. Any person to knowingly make or cause to be made any false statement in any application or information attached thereto;

B. Any person to make or manufacture any license required by this chapter except upon order of the Director;

C. Any person to refuse admission to the Director to inspect the premises and/or records as required by this chapter, or to otherwise interfere with the Director in the performance of duties imposed by this chapter.

(Ord. 106024 § 1.700, 1976.)

#### 5.32.130 Penalties.

A. Any person who engages in conduct made unlawful, or who violates or fails to comply with any provision of this chapter, or rule or regulation, shall be guilty of an offense subject to the provisions of Chapters 12A.02 and 12A.04 of this Code (Criminal Code). Such unlawful conduct, violation, or failure to comply is a violation unless specifically designated as a crime.

Any person convicted of a violation is punishable by a civil fine not to exceed Five Hundred Dollars (\$500.00). Any person convicted of a crime is punishable by a fine of not more than Five Hundred Dollars (\$500.00) or by imprisonment for a term of not more than six months, or both.

B. Each day of continued violation or non-compliance shall constitute a separate offense.

(Ord. 106024 § 1.800, 1976.)

### Subchapter II Amusement Devices

#### 5.32.140 Definitions.

As used in this subchapter, the following definitions apply:

A. "Amusement device" means any machine or device which provides recreation or entertainment for which a charge is made for use or play, and includes, but is not limited to, pool and billiard tables, shuffleboards, music machines, video games, pinball games, riding devices, televisions and devices for display of pictures or views on film; provided, that it does not mean or include any machine or device used exclusively for the vending of merchandise.

B. "Owner" of an amusement device means a person who has legal title to the device, or a person who as purchaser is entitled to possession under a retained title contract, conditional sales agreement, vendor's lien agreement, or other legal purchase agreement.

(Ord. 106240 § 1, 1977; Ord. 106024 § 2.010, 1976.)

#### 5.32.150 License required.

It is unlawful for any person to own any amusement device, which is available for use by the public, without having first obtained an amusement device license issued in accordance with the provisions of this chapter. The license shall be attached to the amusement device at all times when in use or play or available for use or play so that it is readily visible.

(Ord. 106024 § 2.050, 1976.)

#### 5.32.160 Exemptions.

No amusement device license is required under this chapter for amusement device:

A. If an admissions tax is collected upon its use pursuant to Ordinance 72495, as now or hereafter amended;<sup>1</sup>

B. For which the minimum price for use of

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play is less than Five Cents (\$.05); or

C. If the device is licensed under Ordinance 48022, as amended.<sup>2</sup>  
(Ord. 106024 § 2.070, 1976.)

1. Editor's Note: Ord. 72495 is codified in Chapter 5.40 of this Code.

2. Editor's Note: Ord. 48022 is codified in Title 6 of this Code.

## 5.32.170 License fees.

A. The license fee for any amusement device which is operated or activated by the insertion of a coin shall be based upon the minimum price levied for play or use of the device. For each Five Cents (\$.05) of the price, the license fee shall be Fifteen Dollars (\$15.00) per year.

B. The license fee for any amusement device which is not operated or activated by the insertion of a coin shall be Seventy-five Dollars (\$75.00) per year.  
(Ord. 106024 § 2.100, 1976.)

## 5.32.180 License expiration.

Amusement device licenses expire annually on November 30th.  
(Ord. 106024 § 2.150, 1976.)

## 5.32.190 Records—Location of devices.

Any person licensed pursuant to this subchapter shall maintain records showing the location of each amusement device license issued to such person. Upon request of the Director, a list specifying the locations shall be provided.  
(Ord. 106024 § 2.300, 1976.)

## 5.32.200 Unlawful acts.

A. It is unlawful for any owner, operator, manager, or other person in charge of any place or location to permit or allow to be used or played in such place any amusement device not having attached thereto an amusement device license.

B. It is unlawful for the owner of any amusement device to fail to display his/her name and current address on each amusement device when in use or play or available for use or play.

C. It is unlawful for the owner, operator, manager, or other person in charge of any place or location to permit or allow to be used or played in such place any amusement device not having attached thereto the name and current address of the owner of the amusement device.

D. It is unlawful for the holder of any license issued under this subchapter to issue or circulate slugs, trade checks, or trade certificates

for use or play of any amusement device, or to permit or allow the use or play of any such device by such slugs, checks, or certificates.

E. It is unlawful for any owner, operator, manager, or other person in charge of any place or location to permit or allow the use or play of any amusement device by slugs, trade checks, or trade certificates.  
(Ord. 106024 § 2.700, 1976.)

## Subtitle II Taxes

### Chapter 5.40

### ADMISSION TAX

#### Sections:

- 5.40.010 Definitions.
- 5.40.020 Tax levied—Exemptions.
- 5.40.030 Cabarets.
- 5.40.040 Swimming pools—Skating rinks—Golf courses.
- 5.40.050 Resort or picnic grounds.
- 5.40.060 Ticket numbering and information.
- 5.40.070 Remittance of tax.
- 5.40.080 Certificate of registration—Application.
- 5.40.090 Certificate of registration—Owner of building to be named.
- 5.40.100 Rules and regulations.
- 5.40.110 Effective date.
- 5.40.120 Receipts to General Fund.
- 5.40.130 Inspection by certain persons only.
- 5.40.140 Violation—Penalty.
- 5.40.150 Aiding or abetting violation.

Severability: If any portion of this chapter shall be adjudged invalid, such invalidity shall not affect the portions which are not adjudged invalid.  
(Ord. 72495 § 12, 1943.)

#### 5.40.010 Definitions.

For the purposes of this chapter, words and terms shall have following meanings:

A. "Admission charge," in addition to its usual and ordinary meaning, includes but is not limited in meaning to:

1. A charge made for season tickets or subscriptions;

2. A cover charge or a charge made for use of seats or tables, reserved or otherwise, and similar accommodations;

3. A charge made for food or refreshments in any place where any free entertainment, recreation or amusement is provided;

4. A charge made for rental or use of equipment or facilities for purposes of recreation or amusement and, where the rental of the equipment or facilities is necessary to the enjoyment of the privilege for which a general admission is charged, the combined charge shall be considered as the admission charge;

5. A charge made for admission to any theater, dance hall, amphitheater, private club, auditorium, observation tower, stadium, athletic pavilion or field, baseball or athletic park, circus, side show, swimming pool, outdoor amusement park or any similar place; and includes equipment to which persons are admitted for purposes of recreation such as merry-go-rounds, ferris wheels, dodge-ems, roller coasters, go-carts and other rides whether such rides are restricted to tracks or not;

6. A charge made for automobile parking where the amount of the charge is determined according to the number of passengers in an automobile.

B. "College" or "university" means any accredited public or private college, junior college or university, or the recognized student body association thereof insofar as the admission charges received by the college, university, or student body association are budgeted, and applied solely for exhibition, performance, study and/or teaching of the performing arts, visual arts, history, or science. It specifically excludes any athletic department or division or activities of the college or university or of the recognized student body association thereof.

C. "Nonprofit tax-exempt organization" means an organization, corporation, or association organized and operated for the advancement, appreciation, public exhibition or performance, preservation, study and/or teaching of the performing arts (music, drama including puppetry, opera, film arts or dance), visual arts, historic vessels, history, or science, which is currently recognized by the United States of America as exempt from federal income taxation pursuant to Section 501 (c) (1) or (3) of the Internal Revenue Code of 1954, 26 U.S.C. § 501, as now existing or hereafter amended, and a division, department or instrumentality of

state or local government devoted to the arts, history or science.

D. "Person" means any individual, receiver, assignee, firm, copartnership, joint venture, corporation, company, joint stock company, association, society, or any group or individuals, acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise.

(Ord. 108608 § 1, 1979; Ord. 102719 § 1, 1973; Ord. 91775 § 1, 1963; Ord. 72495 § 1, 1943.)

Cases: The word "refreshment" as used in Seattle Ordinance No. 72495 includes alcoholic as well as nonalcoholic beverages. *Ropo, Inc. v. Seattle*, 67 Wn.2d 574, 409 P.2d 148 (1965.)

#### 5.40.020 Tax levied—Exemptions.

A. There is levied and imposed a tax upon everyone without regard to age, who pays an admission charge as defined in Section 5.40.010; provided, that such tax shall not apply to anyone paying an admission charge of Ten Cents (\$0.10) or less or to any activity of any elementary or secondary school as contemplated by RCW 35.21.280, or to an opera, concert, dance recital or like musical entertainment, a play, puppet show or dramatic reading, an exhibition of painting, sculpture, or artistic or historical objects, or to a museum, historic vessel, or science center, when a college or university or nonprofit tax-exempt organization, as defined in Section 5.40.010 and registered under Section 5.40.080, publicly sponsors and performs such activity, and receives the use and benefit of admission charges collected; provided, further, the foregoing exclusion from taxation shall not apply when a guest artist or other person supplies the major portion of the materials on exhibition or of the performance of such activity of the nonprofit tax-exempt organization.

B. The tax here imposed shall be in the amount of five percent on each admission charge or charge for season or series ticket. Any fraction of tax of one-half cent or more shall result in a tax at the next highest full cent.

C. Amounts paid for admission by season ticket or subscription shall be exempt if the amount which would be charged to the holder or subscriber for a single admission is fifteen cents or less.

D. Anyone having the use of a box or seat permanently or for a specified period, shall pay in addition to the tax required for admission

## REVENUE, FINANCE AND TAXATION

under subsections A and B of this section a tax in the amount of five percent of the price of such box or seat, the same to be collected and remitted in the manner provided in Section 5.40.070 by the person selling such tickets.

(Ord. 102719 § 2, 1973; Ord. 98403 § 1, 1969; Ord. 91775 § 2, 1963; Ord. 88748 § 1, 1959; Ord. 87103 § 1, 1958; Ord. 72495 § 2, 1943.)

Cases: The Seattle admissions tax is not a municipal excise upon liquor as proscribed by the Washington State Liquor Act, since the sale of liquor and other "refreshments" is only a measure of the tax rather than its incidence. *Ropo, Inc. v. Seattle*, 67 Wn.2d 574, 409 P.2d 148 (1965).

### 5.40.030 Cabarets.

The admission charge to any cabaret, any private club conducting cabaret activities, or any similar place of entertainment is deemed to be the total amount charged as an admission charge, a cover charge, and/or a charge made for the use of seats and tables reserved or otherwise, and other similar accommodations.

(Ord. 94366 § 1, 1965; Ord. 91775 § 3, 1963; Ord. 88748 § 2, 1959; Ord. 77700 § 1, 1949; Ord. 72495 § 3, 1943.)

### 5.40.040 Swimming pools—Skating rinks—Golf courses.

The admission charge shall be the amount paid by any person paying more than Fifteen Cents (\$0.15) to gain entrance to any building, enclosure or area in which there is a swimming pool, skating rink, golf driving range, miniature golf course, short nine, or other golf course, or to gain entrance to such pool, rink or course itself, or for the use of the facilities thereof, or any rental paid by the person paying for such entry for the use of equipment and facilities supplied him and appropriate to the enjoyment of the privilege for which the admission is charged, or the aggregate thereof. The admission charge shall exclude dues, initiation fees, and maintenance assessments paid by a member of a nonprofit organization to defray administrative expenses or provide for the purposes of the organization and which entitle the member to participate in the organization's activities or use its facilities; provided, that the admission charge shall include any special fees or charges, including greens fees, of more than Fifteen Cents (\$0.15) which are separately identified and charged for a particular event, rental or

usage and paid by a member for entrance, rental of equipment, or the aggregate thereof as aforesaid and any such charges of more than Fifteen Cents (\$0.15) paid by or for guests. (Ord. 105836 § 1, 1976; Ord. 91775 § 4, 1963; Ord. 90685 § 1, 1961, 1961; Ord. 72495 § 4, 1943.)

### 5.40.050 Resort or picnic grounds.

Anyone paying more than Fifteen Cents (\$0.15) to gain admission to any resort or picnic grounds is subject to a tax of three percent on such admission charge even though such amount includes a charge for use of equipment and facilities such as tables, stoves and bathhouses. If a lesser amount is charged to persons who do not use such equipment and facilities than those who do use such equipment and facilities, the lesser charge is deemed the admission charge. Where a separate charge is made for the use of equipment and facilities, such charge is not subject to the tax levied in this chapter unless it constitutes or is part of an "admission charge." Whenever an organization or club acquires the sole right to use a resort or picnic grounds, solely for the enjoyment of its members or employees and their friends, the amount paid for such right is an amount paid for an admission charge and subject to the tax levied in this chapter: Provided, that if the organization or club in turn charges its members or employees all or part of the amount so paid, such charge does not constitute an admission charge subject to the tax levied in this chapter. Amounts paid for the privilege of parking cars in a resort or picnic grounds do not constitute an admission charge unless the amount of such charge is determined by the number of passengers in the automobile or the same charge is made to all persons who enter the resort or grounds, whether on foot or by other means of transportation. If a charge is made for each passenger in an automobile, in addition to a charge for parking facilities, the amount paid for the passengers is an admission charge and subject to the tax levied in this chapter. The tax levied in this chapter shall be paid by the person paying the admission charge and shall be collected and remitted by the person to whom the same is paid in the manner provided in Section 5.40.070.

(Ord. 91775 § 5, 1963; Ord. 72495 § 5, 1943.)

### 5.40.060 Ticket numbering and information.

A. Whenever a charge is made for admission

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to any place, a serially numbered or reserve seat ticket shall be furnished the person paying such charge unless written approval has been obtained from the Director of Licenses and Consumer Affairs to use a turnstile or other counting device which will accurately count the number of paid admissions. The established price, service charge, city tax and total price at which every such admission ticket or card is sold shall be separately, conspicuously and indelibly printed or written on the face or back of that part of the ticket which is to be taken up by the management of the place to which admission is gained. It shall be unlawful for anyone to sell an admission ticket or card on which the name of the person conducting the event and the price is not so printed, stamped or written, or to sell or offer to sell an admission ticket or card at a price in excess of the price printed, stamped or written thereon. The admission tax due shall be based on the total sum of the established price plus any service charge printed on the ticket. When a charge is made for admission, a sign must be posted in a conspicuous place on the entrance or ticket office which breaks down the admission charge as follows:

Service Charge	.....
(if any)	.....
City Tax	.....
Total Price	.....

It is unlawful to charge a service charge on admission tickets unless the purchaser is fully informed of the purpose of such charge by published or posted notice in advance of the ticket sale.

B. It is unlawful for any person to represent an admission charge or fee for the privilege of entering, attending, or remaining in attendance at any theater, dance, amusement or other place of public performance as a donation or contribution where persons are not admitted or allowed to remain in attendance without payment of such charge or fee.

(Ord. 106751 § 1, 1977: Ord. 105445 § 1, 1976: Ord. 104652 § 1, 1975: Ord. 102622 § 1, 1973: Ord. 91775 § 6, 1963: Ord. 72495 § 6, 1943.)

**5.40.070 Remittance of tax.**

Anyone, including any municipal or quasi-municipal corporation who receives any payment for any admission charge on which a tax is levied under this chapter shall collect the

amount of the tax from the person making the admission payment and shall remit the same to the Director of Licenses and Consumer Affairs as provided in this section. The tax required to be collected under this chapter shall be deemed held in trust by the person required to collect the same until remitted to the Director of Licenses and Consumer Affairs as provided in this section. Anyone required to collect the tax imposed under this chapter who fails to collect the same, or who collects the same but fails to remit the same to the Director of Licenses and Consumer Affairs in the manner prescribed by this chapter shall be liable to the city for the amount of such tax, and shall, unless the remittance be made as required in this section, be guilty of a violation of this chapter whether such failure be the result of his or its own act or the result of acts or conditions beyond his or its control. The tax imposed under this chapter shall be collected from the person paying the admission charge at the time the admission charge is paid and such taxes shall be remitted by the person collecting the tax to the Director of Licenses and Consumer Affairs in monthly remittances on or before the 15th day of the month next succeeding the end of the monthly period in which the tax is collected or received and accompanied by such reports as the Director of Licenses and Consumer Affairs shall require. Provided, that the Director of Licenses and Consumer Affairs, for good cause shown, may extend the time for making and filing the return and remittance of the tax due. Payment or remittance of the tax collected may be made by check unless payment or remittance is otherwise required by the Director of Licenses and Consumer Affairs, but payment by check shall not relieve the one collecting the tax from liability for payment and remittance of the tax to the Director of Licenses and Consumer Affairs unless the check is in the full and correct amount and until the check is honored. Anyone receiving any payment for admissions shall make out a return upon such forms and setting forth such information as the Director of Licenses and Consumer Affairs may require, showing the amount of the tax upon admissions for which he is liable for the preceding monthly period, and shall sign and transmit the same to the Director of Licenses and Consumer Affairs with a remittance for said amount: Provided, that the Director of Licenses and Consumer Affairs may in his discretion require verified annual returns from

anyone receiving admission payments setting forth such additional information as he may deem necessary to determine correctly the amount of tax collected and payable. If the return provided for in this section is not made and the tax is not collected and paid within fifteen days after the end of the month in which the tax was collected, the Director of Licenses and Consumer Affairs shall add a penalty of ten percent of the tax per month or fraction thereof for each month overdue which shall be added to the amount of the tax due, and remitted in the same manner. Whenever any theater, circus, show, exhibition, entertainment or amusement makes an admission charge which is subject to the tax levied in this chapter, and the same is of a temporary or transitory nature or there exists a reasonable question of financial responsibility, of which the Director of Licenses and Consumer Affairs shall be the judge, the Director of Licenses and Consumer Affairs may require the report and remittance of the admission tax immediately upon the collection of the same, at the conclusion of the performance or exhibition, or at the conclusion of the series of performances or exhibitions or at such other times as the Director of Licenses and Consumer Affairs shall determine; and failure to comply with any requirement of the Director of Licenses and Consumer Affairs as to report and remittance of the tax as required shall be a violation of this chapter. Everyone liable for the collection and payment of the tax imposed by this chapter shall keep and preserve for a period of five years all unused tickets, ticket manifests, books and all other records from which can be determined the amount of admission tax which he was liable to remit under the provisions of this chapter, and all such tickets, books and records shall be open for examination and audit at all reasonable times by the Director of Licenses and Consumer Affairs or his duly authorized agent. Written permission may be granted by the Director of Licenses and Consumer Affairs to destroy unused tickets prior to the expiration of the five-year period.

(Ord. 102622 § 2, 1973; Ord. 91775 § 7, 1963; Ord. 88479 § 1, 1959; Ord. 77700 § 2, 1949; Ord. 72495 § 7, 1943.)

**5.40.080 Certificate of registration—Application.**

A. Any person conducting or operating any place for entrance to which an admission charge

is made shall, on a form prescribed by the Director of Licenses and Consumer Affairs, make application to the Director of Licenses and Consumer Affairs for issuance by the Comptroller of a certificate of registration, the fee for which shall be One Dollar (\$1.00), which certificate shall continue valid until December 31st of the year in which the same is issued. Such certificate of registration, or duplicate original copies thereof to be issued by the Comptroller without additional charge, shall be posted in a conspicuous place in each ticket or box office where tickets of admission are sold.

B. Whenever the persons paying an admission charge in excess of Ten Cents (\$0.10) are not to be taxed and are not attending an activity of an elementary or secondary school, the person putting on such activity, or set of activities, and in the absence of registration by such person the person conducting or operating the place at which such activity occurs shall on the application for certificate of registration or other form prescribed by the Director of Licenses and Consumer Affairs:

1. Identify the activity or set of activities at which persons paying an admission charge are not to be taxed;
2. Supply sufficient information as will enable the Director of Licenses and Consumer Affairs both to determine the applicability of the tax to the activity or set of activities so identified and to distinguish the same from other occasions, if any, of the applicant when taxes are to be collected; and
3. Provide evidence as necessary to show the status of the party performing the activity or set of activities as a nonprofit tax-exempt organization as defined in Section 5.40.010. The form may require the applicant to notify the Director of Licenses and Consumer Affairs of any subsequent change in condition from the facts stated or information supplied. If the Director of Licenses and Consumer Affairs determines that persons paying such admission charge are not subject to the admission tax, the applicant shall receive a certification of such determination upon the certificate of registration or upon such other document as the Director of Licenses and Consumer Affairs may determine which shall be posted with the certificate of registration.

(Ord. 102719 § 3, 1973; Ord. 102622 § 3, 1973; Ord. 72495 § 8, 1943.)

#### 5.40.090 Certificate of registration—Owner of building to be named.

Whenever the applicant for a certificate of registration, obtained for the purpose of operating or conducting a temporary or transitory amusement, entertainment or exhibition, is not the owner, lessee, or custodian of the buildings, lots or place where the amusement is to be conducted, the tax imposed by this chapter shall be reported and remitted as provided in Section 5.40.070 by the person who is the owner, lessee or custodian, if not paid by the person conducting the amusement, entertainment or exhibition. The applicant for a certificate of registration in any such case shall furnish the Director of Licenses and Consumer Affairs with the application, with the name and address of the owner, lessee or custodian of the premises upon which the amusement is to be conducted, and such owner, lessee or custodian shall be notified by the Director of Licenses and Consumer Affairs of the issuance of such certificate and of his joint liability for collection and remittance of such tax.

(Ord. 102622 § 4, 1973: Ord. 91775 § 8, 1963: Ord. 72495 § 9, 1943.)

#### 5.40.100 Rules and regulations.

The Director of Licenses and Consumer Affairs shall have the power to adopt rules and regulations not inconsistent with the terms of this chapter for carrying out and enforcing the payment, collection and remittance of the tax levied in this chapter; and for administering the exclusion from taxation upon persons paying an admission charge to activities enumerated in Section 5.40.020 A and B involving the arts, history, or science performed by a college or university or nonprofit tax-exempt organization; and a copy of the rules and regulations shall be on file and available for public examination in the Comptroller's office. Failure or refusal to comply with any such rules and regulations shall be deemed a violation of this chapter.

(Ord. 102719 § 4, 1973: Ord. 102622 § 5, 1973: Ord. 72495 § 10, 1943.)

#### 5.40.110 Effective date.

The tax levied and imposed in this chapter shall be collected and paid on and after May 1, 1943.

(Ord. 72495 § 11, 1943.)

#### 5.40.120 Receipts to General Fund.

All receipts from the admission tax levied in this chapter shall be placed in the General Fund. (Ord. 106058 § 3, 1976: Ord. 79849 § 1, 1951: Ord. 72495 § 11-1, 1943.)

#### 5.40.130 Inspection by certain persons only.

The applications and returns made to the Director of Licenses and Consumer Affairs pursuant to this chapter shall not be made public, nor shall they be subject to the inspection of anyone except the Mayor, City Attorney, City Comptroller or his authorized agent, Director of Licenses and Consumer Affairs or his authorized agent, and members of the City Council or their authorized agents, and the Director of the Office of Management and Budget or his authorized agent; and it shall be unlawful for anyone to make public or to inform another person as to the contents or any information contained in or to permit inspection of any application or return except as in this section authorized.

(Ord. 106168 § 2, 1977: Ord. 102622 § 6, 1973: Ord. 91775 § 10, 1963: Ord. 72495 § 15, 1943.)

#### 5.40.140 Violation—Penalty.

Each violation of or failure to comply with the provisions of this chapter shall constitute a separate offense and shall subject the offender to a fine of not to exceed Three Hundred Dollars (\$300.00) or to imprisonment in the City Jail for not to exceed ninety days, or to both such fine and imprisonment.

(Ord. 72495 § 13, 1943.)

#### 5.40.150 Aiding or abetting violation.

Anyone who directly or indirectly performs or omits to perform any act in violation of this chapter, or aids or abets the same, whether present or absent, and every person who directly or indirectly counsels, encourages, hires, commands, induces or otherwise procures another to commit such violation is, and shall be, a principal under the terms of this chapter and may be proceeded against as such.

(Ord. 91775 § 9, 1963: Ord. 72495 § 14, 1943.)

Chapter 5.44

BUSINESS AND OCCUPATION TAX

Sections:

- 5.44.010 Exercise of revenue license power.
- 5.44.020 Definitions.
- 5.44.030 Tax levied.
- 5.44.040 Tax on business with the city.
- 5.44.050 Persons taxable as to each activity.
- 5.44.060 Determination of value of products.
- 5.44.070 Persons in business both within and without the city.
- 5.44.080 Sales by consignee, bailee, factor or auctioneer.
- 5.44.090 Exemptions—Designated.
- 5.44.100 Exemptions—Sales for resale.
- 5.44.110 Deductions allowed in computing license fees.
- 5.44.120 Minimum tax or license fee.
- 5.44.130 Business license required.
- 5.44.140 License fee or tax—When due.
- 5.44.150 Payment of license fees.
- 5.44.160 Books and records to be kept five years.
- 5.44.170 Final payment public work contract—License fees to be paid first.
- 5.44.180 Payments—Extension—Late penalty.
- 5.44.190 Sale or transfer of business.
- 5.44.200 Returns confidential—Exceptions.
- 5.44.210 Over or under payment of tax.
- 5.44.220 Failure to make return.
- 5.44.230 Appeals.
- 5.44.240 Director to make rules.
- 5.44.250 Mailing of notices.
- 5.44.260 False returns or statements.
- 5.44.270 License fee additional to others.
- 5.44.280 Collection of delinquent fee or tax.
- 5.44.290 Application to city's business activities.
- 5.44.300 Revocation of license.
- 5.44.310 Violation—Penalty.

Severability: If any provision or section of this chapter shall be held void or unconstitutional, all other parts, provisions and sections of this chapter not expressly so held to be void or unconstitutional shall continue in full force and effect.  
(Ord. 72630 § 31, 1943.)

Cases: A city ordinance imposing a license tax of Six Hundred Dollars (\$600.00) per year on any person selling trading stamps to merchants, in addition to One Hundred Dollars (\$100.00) per year on each merchant using trading stamps in his business was prohibitive and therefore void as an abridgement of the privilege of citizens to engage in legitimate businesses. *Ex Parte Hutchinson*, 137 F. 949 (1904).

5.44.010 Exercise of revenue license power.

The provisions of this chapter shall be deemed an exercise of the power of the city to license for revenue.  
(Ord. 72630 § 1, 1943.)

5.44.020 Definitions.

A. In construing the provisions of this chapter save when otherwise declared or clearly apparent from the context, the following definitions shall be applied:

1. "Bimonthly period" means a two-month period beginning with the first day of the odd-numbered month and including the last day of the next succeeding month.

2. "Business" includes all activities engaged in with the object of gain, benefit or advantage to the taxpayer or to another person or class, directly or indirectly.

3. "Cash discount" means a deduction from the invoice price of goods or charge for services which is allowed if the bill is paid on or before a specified date.

4. "City" means The City of Seattle.

5. "Commercial use" means the following uses of products by the extractor or manufacturer thereof:

a. Manufacturing of articles, substances or commodities from extracted products;

b. Leasing or renting of extracted or manufactured products;

c. Consigning, shipping or transferring extracted or manufactured products to another either without consideration or in the performance of contracts;

d. Any other use of products extracted or manufactured on a commercial scale under such rules and regulations as the Director of Licenses and Consumer Affairs shall prescribe.

6. "Company." See "Person."

7. "Comptroller" means the City Comptroller and ex officio City Clerk of the city.

8. "Engaging in business" means commencing, conducting or continuing in business and also the exercise of corporate or franchise

powers as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.

9. "Extractor" means every person who, from his own land or from the land of another under a right or license granted by lease of contract, either directly or by contracting with others for the necessary labor or mechanical services, for sale or commercial use, mines, quarries, takes or produces coal, oil, natural gas, ore, stone, sand, gravel, clay, mineral or other natural resource product, or fells, cuts or takes timber or other natural products, or takes, cultivates, or raises fish, shellfish or other sea or inland water foods or products, but does not include persons performing under contract the necessary labor or mechanical services for others.

10. "Gross income of the business" means the value proceeding or accruing by reason of the transaction of the business engaged in and includes gross proceeds of sales, compensation for the rendition of services, gains realized from trading in stocks, bonds or other evidences of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends and other emoluments however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes or any other expense whatsoever paid or accrued and without any deduction on account of losses.

11. "Gross proceeds of sales" means the value proceeding or accruing from the sale of tangible personal property and for services rendered without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount paid, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

12. "To manufacture" embraces all activities of a commercial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different or useful article of tangible personal property or substance of trade or commerce is produced and shall include the production or fabrication of special made or custom made articles.

In addition to the activities set forth in the preceding paragraph, "to manufacture" includes the producing of articles for sale, or for commercial or industrial use from raw materials or

prepared materials by giving such materials new forms, qualities, properties or combinations, including, but not limited to, such activities as making, fabricating, processing, refining, mixing, slaughtering, packing, aging, curing, mild curing, preserving, canning, and the preparing and freezing of fresh fruits and vegetables.

13. "Manufacturer" means every person who, either directly or by contracting with others for the necessary labor or mechanical services, manufactures for sale or commercial use from his own materials or ingredients any articles, substances or commodities. When the owner of equipment or facilities furnishes, or sells to the customer prior to manufacture, all or a portion of the materials that become a part or whole of the manufactured article, the Director of Licenses and Consumer Affairs shall prescribe equitable rules for determining tax liability.

14. "Person" or "company," herein used interchangeably, means any individual, receiver, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise, and includes the United States or any instrumentality thereof, provided a valid tax may be levied upon or collected therefrom under the provisions of this chapter.

15. "Quarterly period" means only the following periods: January-February-March, April-May-June, July-August-September, October-November-December, and shall begin the first day of the first month and include the last day of the third month within each period.

16. "Sale" includes the exchange of property as well as the sale thereof for money; and also includes conditional sale contracts, leases with option to purchase and any other contract under which possession of the property is given to the purchaser but title is retained by the vendor as security for the payment of the purchase price. It shall also be construed to include the furnishing of food, drink, or meals for compensation, whether consumed upon the premises or not.

17. "Successor" means any person who shall, through direct or mesne conveyance, purchase or succeed to the business, or portion thereof, or the whole or any part of the stock of

goods, wares or merchandise or fixtures or any interest therein of a taxpayer quitting, selling out, exchanging or otherwise disposing of his business. Any person obligated to fulfill the terms of a contract shall be deemed a successor to any contract or defaulting in the performance of any contract as to which such person is a surety or guarantor.

18. "Taxpayer" includes any individual, group of individuals, corporation or association required to have a business license under this chapter, or liable for any license fee or tax, or for the collection of any license fee or tax under this chapter, or who engages in any business, or who performs any act, for which a license fee or tax is imposed by this chapter.

19. "Tax year" or "taxable year" means either the calendar year or the taxpayer's fiscal year when permission is obtained from the Director of Licenses and Consumer Affairs to use a fiscal year in lieu of the calendar year.

20. "Treasurer" means the Treasurer of the city.

21. "Tuition fee" includes library, laboratory, health service and other special fees, and amounts charged for room and board by an educational institution when the property or service for which such charges are made is furnished exclusively to the students or faculty of such institution: Provided, that the term "educational institution," as used in this chapter, shall be construed to mean only those institutions created or generally accredited as such by the state and offering to students an educational program of a general academic nature, or those institutions which are not operated for profit and which are privately endowed under a deed of trust to offer instruction in trade, industry and agriculture, but not including specialty schools, business colleges, trade schools or similar institutions.

22. "Value proceeding or accruing" means the consideration, whether money, credits, rights or other property expressed in terms of money, actually received or accrued. The term shall be applied, in each case, on a cash receipts or accrual basis according to which method of accounting is regularly employed in keeping the books of the taxpayer. The Director of Licenses and Consumer Affairs may provide by regulation that the value proceeding or accruing from sales on the installment plan under conditional contracts of sale may be reported as of the dates when the payments become due.

B. Words in the singular number shall include

the plural, and the plural shall include the singular. Words in one gender shall include all other genders.

(Ord. 102623 § 1, 1973; Ord. 98817 § 6, 1970; Ord. 88270 § 1, 1959; Ord. 85388 § 1, 1956; Ord. 73335 § 1, 1944; Ord. 72630 §§ 2, 2.1 and 2.2, 1943.)

#### 5.44.030 Tax levied.

There is levied upon and shall be collected from and paid as provided in this chapter by every person on account and for the privilege of engaging in business activities, a license fee or occupation tax, sometimes referred to in this chapter as the "tax." The tax, except as hereinafter provided, shall be in amounts to be determined by application of rates given against value of products, gross proceeds of sale, or gross income of business, as the case may be, for the three calendar months next preceding the beginning of each quarterly period as follows:

A. Upon every person engaging within this 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 extracted for sale or commercial use, multiplied by the rate of 165 one-thousandths of one percent.

The measure of the tax is the value of the 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 this 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 manufactured, multiplied by the rate of 165 one-thousandths of one percent.

The measure of the tax is the value of the products so manufactured, 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 this city in the business of making sales at wholesale or retail, except persons taxable under subsections D and E of this section; as to such persons, the amount of tax with respect to such business of making sales at wholesale or retail 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 165 one-thousandths of one percent.

D. Upon every person engaging within this

city in the business of making wholesale sales of manufacturers' stock of tobacco products warehoused in this city by the manufacturer and sold by him at wholesale in this city; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of such business without regard to the place of delivery of such tobacco products sold, multiplied by the rate of one-tenth of one percent;

E. Upon every person engaging within this city in the business of buying wheat, oats, corn, barley and rye, but not including any manufactured or processed products thereof, and selling the same at wholesale; the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of 165 ten-thousandths of one percent.

Upon every person engaging within this city in the business of manufacturing wheat into flour; the tax imposed shall be equal to the value of the flour manufactured, multiplied by the rate of 165 ten-thousandths of one percent.

F. Upon every person engaging within this city in the business of: (1) printing and of publication of newspapers, periodicals or magazines; (2) building, repairing or improving any publicly owned street, place, road, highway, bridge or trestle which is used, or to be used, primarily for foot or vehicular traffic; 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 165 one-thousandths of one percent.

G. Upon every other person engaging within this city in any business activity other than or in addition to those enumerated in subsections A, B, C, D, E, and F, including, subject to and in accordance with the definitions, deductions and exemptions set forth in RCW Chapter 82.04 insofar as the same may be applicable, national banks, state banks, trust companies, mutual savings banks, building and loan associations, savings and loan associations, loan companies, and other banking, loan, security or financial institutions; 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 165 one-thousandths of one percent. 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, confusion or other than by outright sale), persons

engaged in the business of rendering any type of service.

(Ord. 106013 § 1, 1976: Ord. 105139 § 1, 1975: Ord. 104235 § 1, 1975: Ord. 104059 § 1, 1974: Ord. 101033 § 1, 1972: Ord. 100946 § 1, 1972: Ord. 98817 § 1, 1970: Ord. 93360 § 1, 1964: Ord. 88270 § 2, 1959: Ord. 73335 § 2, 1944: Ord. 72630 § 3, 1943.)

Cases: RCW 82.02.020 and RCW Ch. 82.24 do not prevent a municipality from imposing an excise tax on the privilege of wholesaling even when the product being sold at wholesale is cigarettes. *P. Lorillard Co. v. Seattle*, 83 Wn.2d 586, 521 P.2d 208 (1974) reversing 8 Wn. App. 510, 507 P.2d 1212 (1973).

#### 5.44.040 Tax on business with the city.

Except where such a tax is otherwise levied and collected by the city from such person, there is levied upon and there shall be collected from every person, as set forth and provided in Section 5.44.030, a tax upon the act or privilege of engaging in business activities and transactions with the city involving the purchase of materials, supplies, equipment, improvements, and other contractual services. Such tax shall be levied on the privilege of accepting and executing the contract, and shall be collected whether such business activities or transactions occur or take place within or without the city and whether or not such person has his office or place of business within or without the city. Any person engaging in such business activities and/or transactions with the city shall be taxed on the contractual transaction in the same manner and form, under the same rules and regulations and at the same rates of tax as if they were doing business within the city; provided that such tax shall not be levied upon a person or business which has its principal office or place of business without the city if the value of a single contract or transaction, or the annual aggregate value of an activity or transaction with the city does not exceed Fifty Thousand Dollars (\$50,000.00); and provided further, that no person or business located within the city shall be liable for such tax solely on the basis of income received from a contract with the city if such income would not be taxable under other provisions of this chapter.

(Ord. 107137 § 1, 1978: Ord. 106527 § 1, 1977: Ord. 105140 § 1, 1975: Ord. 72630 § 3.2, 1943.)

**5.44.050 Persons taxable as to each activity.**

Every person engaging in activities which are within the purview of the provisions of two or more subsections designated A, B, C, E, F, and G of Section 5.44.030, shall be taxable under each applicable subsection: Provided, that persons taxable under subsection C of Section 5.44.030 on products sold within the city for delivery within the state shall not be taxable under subsections A or B thereof with respect to extracting or manufacturing of such products so sold, and that persons taxable under subsection B thereof shall not be taxable under subsection A thereof with respect to extracting the ingredients of the product so manufactured. (Ord. 81150 § 1, 1952; Ord. 73335 § 2, 1944; Ord. 72630 § 4, 1943.)

**5.44.060 Determination of value of products.**

The value of products, including byproducts, extracted or manufactured shall be determined by the gross proceeds derived from the sale thereof, whether such sale is at wholesale or at retail, to which shall be added all subsidies and bonuses received from the purchaser or from any other person with respect to the extraction, manufacture, or sale of such products or byproducts by the seller, except:

A. Where such products, including byproducts, are extracted or manufactured for commercial or industrial use;

B. Where such products, including byproducts, are shipped, transported or transferred out of the city, or to another person, without prior sale or are sold under circumstances such that the gross proceeds from the sales are not indicative of the true value of the subject matter of the sale.

In the above cases, the value shall correspond as nearly as possible to the gross proceeds from sales in this city of similar products of like quality and character, and in similar quantities by the taxpayer or others, plus the amount of subsidies or bonuses ordinarily payable by the purchaser or by any third person with respect to the extraction, manufacture, or sale of such products. The Director of Licenses and Consumer Affairs shall prescribe uniform and equitable rules for the purpose of ascertaining such values.

(Ord. 102623 § 2, 1973; Ord. 93360 § 2, 1964; Ord. 72630 § 5, 1943.)

Cases: A Seattle administrative ruling that bakers could measure the value of their product for business tax purposes by the cost of manufacture was authorized by Ordinance 72630 § 5b.<sup>1</sup> Hansen Baking Co. v. Seattle, 48 Wn.2d 737, 296 P.2d 670 (1956).

1. Editor's Note: Ord. 72630 § 5b appears in this Code as Section 5.44.060B.

**5.44.070 Persons in business both within and without the city.**

A. Persons engaged in the business of rendering services both within and without the city, or partially within and partially without the city, and maintaining an office or place of business within the city and not elsewhere, shall be taxable on the gross income from the business without regard to the place where the services are rendered; and such persons having an office or place of business inside the city and also elsewhere shall, for the purpose of computing tax liability under this chapter, apportion to the city that portion of his gross income which is derived from services rendered within the city. Where such apportionment cannot be made by separate accounting methods, the taxpayer shall apportion to the city that portion of his total income which the cost of doing business within the city bears to the total cost of doing business both within and without the city.

B. Persons maintaining an office, plant, warehouse or other business establishment which is partly within and partly outside of the city, shall be taxable on the value of products, gross proceeds of sales, or gross income of the business attributable to business within the city, ascertained either: (1) by a segregation of business within and business outside the city, shown and supported by separate accounting records, or (2) if such segregation cannot be practicably made by an apportionment to the city of that part of the total value of products, gross proceeds of sales, or gross income of the business derived from business both within and outside the city (a) in the proportion that the cost of doing business within the city bears to the cost of doing business both within and outside of the city, or (b) when the use of such apportionment factor is impractical or inequitable, by a fair and equitable apportionment of such values, proceeds, or income between business within the city and business outside of the city upon such basis, comparable in character to that prescribed in (a) above, as shall be agreed upon by the Director of Licenses and Consumer Affairs and the

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(Ord. 102623 § 3, 1973; Ord. 73023 § 1, 1943;  
Ord. 72630 § 6, 1943.)

Cases: The distinction between a taxpayer with a single plant bisected by the city's boundaries and a taxpayer with two plants, one of which is not located within the city, does not constitute a sufficient difference to justify separate classification of those taxpayers with regard to apportionment of the city's business and occupation tax. *Lone Star Cement Co. v. Seattle*, 71 Wn.2d 564, 429 P.2d 909 (1967).

#### 5.44.080 Sales by consignee, bailee, factor or auctioneer.

A. Every consignee, bailee, factor or auctioneer having either actual or constructive possession of tangible personal property or having possession of the documents of title thereto, with power to sell such tangible personal property in his or its own name and actually so selling shall be deemed the seller of such tangible personal property within the meaning of this chapter; and further, the consignor, bailor, principal or other shall be deemed a seller of such property to the consignee, bailee, factor or auctioneer.

B. The burden shall be upon the taxpayer in every case to establish the fact that such taxpayer is not engaged in the business of selling tangible personal property but is acting merely as broker or agent in promoting sales for a principal; such claim will be allowed only when the taxpayer's account records are kept in such manner as the Director of Licenses and Consumer Affairs shall by general regulation provide. (Ord. 102623 § 4, 1973; Ord. 72630 § 8, 1943.)

#### 5.44.090 Exemptions—Designated.

The provisions of this chapter shall not apply to:

A. Any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of Ordinance No. 62662, as amended;<sup>1</sup>

B. Any person in respect to insurance business upon which a tax based on gross premiums is paid to the state; provided that the provisions of this subsection shall not exempt any person engaging in the business of insurance as a broker as defined in RCW 48.17.020 or as a solicitor as defined in RCW 48.17.030; and provided further, that the provisions of this subsection shall not exempt any bonding company from tax with respect to gross income derived from the completion of any contract as to which it is

a surety, or as to any liability as successor to the liability of the defaulting contractor;

C. Any person in respect to the agricultural business according to the provisions of RCW 82.-04.330;

D. Any person in respect to the business of conducting boxing contests and sparring and/or wrestling matches and exhibitions for the conduct of which a license must be secured from the State Athletic Commission;

E. Any person in respect to the business of conducting race meets for the conduct of which a license must be secured from the State Horse Racing Commission;

F. Any person in respect to his employment in the capacity of an employee or servant as distinguished from that of an independent contractor;

G. Any person in respect to certain fraternal and beneficiary organizations according to the provisions of RCW 82.04.370;

H. The gross income received by the United States or any instrumentality thereof, by the state, or any municipal subdivision thereof, or by any religious society, association or corporation, through the operation of any hospital, clinic, resort or other institution devoted exclusively to the care or healing of human beings; provided, that no exemption is granted where the income therefrom inures to the benefit of any physician, surgeon, stockholder or individual by virtue of ownership or control of such hospital, clinic, resort or other institution;

I. The gross proceeds derived from the sale of real estate; provided, that this exemption shall not be construed to allow a deduction of amounts received as commissions from the sale of real estate, nor as fees, handling charges, discounts, interest or similar financial charges resulting from, or relating to, real estate transactions;

J. The business of manufacturing, selling, or distributing motor vehicle fuel, as the term "motor vehicle fuel" is defined in RCW 82.-36.010;

K. Liquor as that term is defined in RCW 66.04.010(16);

L. Any nonprofit organization in respect to the operation of "sheltered workshops," as such term is defined in RCW 82.04.385.

(Ord. 105308 § 1, 1976; Ord. 103449 § 1, 1974; Ord. 100946 § 2, 1972; Ord. 94555 § 1, 1966; Ord. 81150 § 2, 1952; Ord. 72630 § 9, 1943.)

1. Editor's Note: Ord. 62662 is codified in Chapter 5.48 of this Code.

**5.44.100 Exemptions—Sales for resale.**

This chapter shall not apply to sales for resale by persons regularly engaged in the business of making sales of the type of property so sold to other persons similarly engaged in the business of selling such property where: (A) the amount paid by the buyer does not exceed the amount paid by the seller to his vendor in the acquisition of the article, and (B) the sale is made as an accommodation to the buyer to enable him to fill a bona fide existing order of a customer or is made within fourteen days to reimburse in kind a previous accommodation sale by the buyer to the seller: Provided, that where the seller holds himself out as being regularly engaged in the business of making sales at wholesale of such property, such sales shall be incidental to his principal business activity. (Ord. 85026 § 1, 1956: Ord. 72630 § 9.1, 1943.)

**5.44.110 Deductions allowed in computing license fees.**

In computing the license fee or tax there may be deducted from the measure of tax the following items:

A. Amounts derived by persons, other than those engaging in banking, loan, security or other financial businesses, from investments or the use of money as such;

B. Amounts derived from bona fide initiation fees, dues, contributions, donations, tuition fees and endowment funds. The provisions of this subsection shall not be construed to exempt any person, association or society from tax liability upon selling tangible personal property or upon providing facilities or services for which a special charge is made to members or others: Provided, that dues which are for, or graduated upon, the amount of service rendered by the recipient thereof are not permitted as a deduction under this chapter;

C. The amount of each discount actually taken by the purchaser. This deduction is not allowed in arriving at the taxable amount under the extractive and/or manufacturing classifications with respect to articles produced or manufactured, the reported values of which, for the purposes of this tax, have been computed according to the provisions of Section 5.44.060;

D. The amount of credit losses actually sustained by taxpayers whose regular books of account are kept upon an accrual basis;

E. Amounts derived from business which the city is prohibited from taxing under the constitution or laws of the state or the constitution or laws of the United States, and any amounts collected by the taxpayer as an excise tax.

(Ord. 73335 § 4, 1944: Ord. 72630 § 10, 1943.)

Cases: Delivery by a seller to a carrier for shipment abroad does not render the seller immune from local taxation unless some action or the part of the seller irrevocably places the goods in their final movement out of the country and there is a certainty at the time the tax accrues that the goods will be exported. *Eardley Fisheries Co. v. Seattle*, 50 Wn.2d 566, 314 P.2d 393 (1957).

**5.44.120 Minimum tax or license fee.**

Each taxpayer shall pay a minimum tax or license fee of Five Dollars (\$5.00) per quarter, if paying on a quarterly basis, or Twenty Dollars (\$20.00) per year, if paying on an annual basis; provided that persons applying for and being issued a "small business license" pursuant to Section 5.44.130 shall be exempt from this requirement.

(Ord. 106013 § 2, 1976: Ord. 98817 § 2, 1970: Ord. 88270 § 3, 1959: Ord. 81150 § 3, 1952: Ord. 72630 § 11, 1943.)

**5.44.130 Business license required.**

A. No person, whether subject to the payment of tax or not, shall engage in any business or activity in the city for which a license fee or tax is imposed by this chapter without having first obtained and being the holder of a valid and subsisting license so to do, to be known as a "business license" or a "small business license" issued under the provisions of this chapter, as hereinafter provided, and without paying the license fee or tax imposed by this chapter. The fee or tax for the business license shall be the license fee or tax imposed by this chapter, and in addition the sum of Ten Dollars (\$10.00) as a license fee which shall accompany the application for the license. Such license shall expire at the end of the calendar year in which it is issued, and a new license shall be required for each calendar year: Provided, that any such business license may be renewed from year to year upon application without the payment of such Ten Dollar (\$10.00) license fee. Applications for the business license shall be made to

the Director of Licenses and Consumer Affairs on forms provided by the Director. Any person whose taxable value of products, gross proceeds of sale, or gross income of business, as the case may be, after all allowable deductions, does not exceed Five Thousand Dollars (\$5,000.00) in any tax year shall, upon application therefor, and payment of the required fee, be issued a small business license. The fee or tax for the small business license shall be Ten Dollars (\$10.00) per year; provided that if a new application is made for a small business license to be effective during the last six months of the license year, the fee or tax shall be Five Dollars (\$5.00). A small business license shall expire at the end of the calendar year in which it is issued, and a new license shall be required for each calendar year. Applications for the small business license shall be made to the Director on forms provided by the Director. Any person who has a valid and subsisting small business license shall be exempt from the license fee or tax imposed by Section 5.44.030, and shall be exempt from the filing of tax returns as required by Section 5.44.140; provided, that the Director may require any person to file returns even though no tax may be due. The term "license" shall refer to "business license" and "small business license" interchangeably unless a different meaning clearly appears from the context.

B. The license shall be personal and non-transferable. In case business is transacted at two or more separate places by one taxpayer, a separate license for each place at which business is transacted with the public shall be required, but for such additional licenses no additional Ten-Dollar (\$10.00) fee shall be required. Each license shall be numbered, shall show the name, place and character of business of the taxpayer, such other information as the Director of Licenses and Consumer Affairs shall deem necessary, and shall at all times be conspicuously posted in the place of business for which it is issued. Where a place of business of the taxpayer is changed, the taxpayer shall return to the Director of Licenses and Consumer Affairs the license and a new license shall be issued for the new place of business free of charge.

C. No person to whom a license has been issued pursuant to this chapter shall suffer or allow any other person for whom a separate license is required to operate under or display his license; nor shall such other person operate

under or display such license.

D. Any person who holds a valid and subsisting business license whose taxable value of products, gross proceeds of sale, or gross income of business, as the case may be, after all allowable deductions, does not exceed Five Thousand Dollars (\$5,000.00) per year, shall, upon returning the license to the Director of Licenses and Consumer Affairs, and filing of any required application, be issued a small business license for the remainder of the year without fee.

E. Any person who holds a valid and subsisting small business license shall, upon returning the license to the Director of Licenses and Consumer Affairs, and filing of any required application, be issued a business license without fee; provided that all license fees and taxes imposed by Section 5.44.030 shall be paid for the full tax year as though the business license had been in effect from the beginning of the tax year.

(Ord. 107158 § 2, 1978; Ord. 106561 § 1, 1977; Ord. 106013 § 3, 1976; Ord. 102623 § 5, 1973; Ord. 81150 § 4, 1952; Ord. 73335 § 5, 1944; Ord. 72630 § 12, 1943.)

Cases: A city may not exact an additional license fee merely because a licensed corporation merges with another corporation continuing in the same business. *Diamond Parking v. Seattle*, 78 Wn.2d 778, 479 P.2d 47 (1971).

#### 5.44.140 License fee or tax—When due.

The license fee or tax imposed by this chapter except the Ten Dollars (\$10.00) required to accompany the application for the license, shall be due and payable in quarterly installments, and remittance therefor shall be made on or before the fifteenth day of the month next succeeding the end of the quarterly period in which the tax accrued. The remittance shall be made as provided in this chapter and shall be accompanied by a return on a form to be provided and prescribed by the Director of Licenses and Consumer Affairs. To the return the taxpayer shall be required to swear or affirm that the information therein given is full and true and that the taxpayer knows the same to be so. Any person whose taxable value of products, gross proceeds of sale, or gross income of business, as the case may be, after all allowable deductions, does not exceed Fifty Thousand Dollars (\$50,000.00) in the preceding tax year may file an annual return with the written approval of the Director of Licenses and Consumer Affairs. Whenever a

taxpayer commences to engage in business during any quarterly period, his first return and the license fee or tax shall be based upon and cover the portion of the quarterly period during which he is engaged in business.

(Ord. 106013 § 4, 1976; Ord. 102623 § 6, 1973; Ord. 98817 § 3, 1970; Ord. 88270 § 4, 1959; Ord. 73335 § 6, 1944; Ord. 72630 § 13, 1943.)

**5.44.150 Payment of license fees.**

A. The license fee or tax payable under this chapter shall at the time the return is required to be filed under this chapter be paid to the City Treasurer by bank draft, certified check, cashier's check, personal check or money order, or in cash. If payment is made by draft or check, the tax or fee shall not be deemed paid unless the check or draft is honored in the usual course of business; nor shall the acceptance of any sum by the Treasurer be an acquittance or discharge of the tax or fee due unless the amount of the payment is in the full and actual amount due. The return shall first be presented to the City Treasurer, who shall endorse thereon the date and amount of the payment received by him and return the same to the taxpayer, who shall thereupon forthwith file the return with the Director of Licenses and Consumer Affairs.

B. The Director of Licenses and Consumer Affairs is authorized, but not required to mail to taxpayers forms for applications for license and forms for returns, but failure of the taxpayer to receive any such forms shall not excuse the taxpayer from making application for and securing the license required, making returns, and payment of the license fee or tax, when and as due under this chapter.

(Ord. 102623 § 7, 1973; Ord. 72630 § 14, 1943.)

**5.44.160 Books and records to be kept five years.**

A. It shall be the duty of every person liable for the payment of any fee or tax imposed by this chapter to keep and preserve for the period of five years such books and records as will accurately reflect the amount of his gross income, gross proceeds of sale or value of products, as the case may be, and from which can be determined the amount of any fee or tax for which he may be liable under the provisions of this chapter; and all such books and records, and also invoices, inventories and stocks of

goods, wares and merchandise shall be open for examination at all reasonable times by the Director of Licenses and Consumer Affairs or his duly authorized agent.

B. In the case of any such person who does not keep the necessary books and records within the city for examination it shall be sufficient if such person produces within the city such books and records as may be required by the Director of Licenses and Consumer Affairs or bears the cost of examination by the Director's agent at the place where such books and records are kept; provided that the person electing to bear such cost shall pay to the Director of Licenses and Consumer Affairs the estimated amount thereof including round-trip fare, lodging, meals and incidental expenses, subject to adjustment upon completion of the examination.

(Ord. 102623 § 8, 1973; Ord. 72630 § 15, 1943.)

**5.44.170 Final payment public work contract—License fees to be paid first.**

The Comptroller shall, before issuing any warrant making final payment to any person performing any public work contract for the city, require such person to pay in full all license fees or taxes due under this chapter from such person on account of such contract, or otherwise.

(Ord. 72630 § 16, 1943.)

**5.44.180 Payments—Extension—Late penalty.**

The Director of Licenses and Consumer Affairs for good cause shown may extend the time for making and filing any return as required under this chapter and may grant such reasonable additional time within which to file such returns as he may deem proper. If payment of any fee or tax is not received by the City Treasurer by the last day of the month in which such fee or tax becomes due, there shall be assessed a penalty of five percent of the amount due with a minimum penalty of Five Dollars (\$5.00); and if the fee or tax is not received by the last day of the month next succeeding the month in which the due date falls, there shall be assessed a total penalty of ten percent of the amount due with a minimum penalty of Fifteen Dollars (\$15.00) and if the fee or tax is not received by the last day of the second month next succeeding the month in which the due date falls, there shall be assessed a total penalty of twenty percent of the amount due, with a minimum penalty of

Twenty-five Dollars (\$25.00); provided, that the penalties provided in this section shall not apply to the annual fee for a small business license; and provided further, that the penalty applicable to payment of any fee or tax for any quarterly or annual period or periods prior to the January-February-March 1977 quarterly period, which payment is not received by the City Treasurer within sixteen days from the due date of such tax, shall be as follows:

Seventeen to forty days delinquency, ten percent with a minimum penalty of One Dollar (\$1.00); forty-one to seventy days delinquency, fifteen percent with a minimum penalty of Two Dollars (\$2.00); and seventy-one or more days delinquency, twenty percent with a minimum penalty of Three Dollars (\$3.00).

(Ord. 106931 § 1, 1977; Ord. 106013 § 5, 1976; Ord. 102623 § 9, 1973; Ord. 98817 § 4, 1970; Ord. 88270 § 5, 1959; Ord. 84040 § 1, 1955; Ord. 81150 § 5, 1952; Ord. 72630 § 17, 1943.)

#### 5.44.190 Sale or transfer of business.

Upon the sale or transfer during any quarterly period of a business on account of which a license fee or tax is required, the purchaser or transferee shall, if the fee or tax has not been paid in full for the quarterly period, be responsible for the payment of the fee or tax for that portion of the quarterly period during which he carries on such business.

(Ord. 98817 § 5, 1970; Ord. 88270 § 6, 1959; Ord. 72630 § 18, 1943.)

#### 5.44.200 Returns confidential—Exceptions.

A. As required by the Public Disclosure Act, in RCW 42.17.260 and RCW 42.17.310, the returns made to the Director of Licenses and Consumer Affairs pursuant to this chapter and any facts or information disclosed in any examination of books and records made pursuant to Section 5.44.160, shall be subject to the inspection of any person but only to the extent that such disclosure does not violate the personal privacy of any taxpayer or give unfair competitive disadvantage to the taxpayer in his or her business or occupation or is not used for commercial purposes.

B. Authority provided in this chapter to disclosure information shall not be construed as authority to give, sell or provide access to lists of individuals for commercial purposes, provided that lists of applicants for professional licenses

and of professional licensees shall be made available to professional organizations recognized by their professional examining board upon payment of reasonable fee therefor. Provided, such returns and information may be subject to inspection, for official purposes only, by the Mayor, City Attorney, City Comptroller or his/her authorized agent, Director of Licenses and Consumer Affairs or his/her authorized agent, Chief of Police or his/her authorized agent, members of the City Council, or their authorized agents, the Director of the Office of Management and Budget or his/her authorized agent; and members of the Board of Ethics and Fair Campaign Practices Commission and authorized agents of the Board and Commission; and provided that nothing in this section shall prohibit the Board of Ethics and Fair Campaign Practices Commission from giving such facts or information in evidence in any hearing conducted by the Board or Commission; and provided further that nothing in this section shall prohibit the Director of Licenses and Consumer Affairs or any member or employee of the Department of Licenses and Consumer Affairs from:

1. Giving such facts or information in evidence in any court action involving the tax or license fee imposed by this chapter or a violation of the provisions hereof or involving another city or state department and the taxpayer;
2. Giving such facts and information to the taxpayer or his or her duly authorized agent;
3. Publishing statistics so classified as to prevent the identification of individual returns or reports of items thereof;
4. Giving such facts or information, for official purposes only, to the Governor of the state, State Attorney General, or to any state department or any committee or subcommittee of the Washington State Legislature dealing with matters of taxation, revenue, trade, commerce, the control of industry or the professions, or to the Prosecuting Attorney of any county in the state, proper officer of the Federal Trade Commission, proper officer of the Internal Revenue Service of the United States, or to the proper officer of the tax department of any state or city or town or county, or to any other authorized representatives of any state or federal law enforcement agencies, but only if the statutes of the United States, or of the state, or of such other state or city or county, as the case may be, grant substantially similar privileges to

## REVENUE, FINANCE AND TAXATION

the tax or law enforcement agencies of The City of Seattle.

(Ord. 107945 § 1, 1979; Ord. 106168 § 3, 1977; Ord. 103566 § 1, 1974; Ord. 103026 § 1, 1974; Ord. 102623 § 10, 1973; Ord. 72630 § 19, 1943.)

### 5.44.210 Over or under payment of tax.

A. In the event of overpayment of any tax due under this chapter, the Director of Licenses and Consumer Affairs or his authorized agent, upon written application by the taxpayer for a refund or credit within two years after the date of such overpayment, may offset the amount of such overpayment against the taxpayer's existing tax liability under this chapter and certify to the City Comptroller for refund of any balance to such taxpayer or credit such balance to taxes which may accrue under this chapter. Refund of overpayments as authorized in this section shall be approved by the Director of Licenses and Consumer Affairs or his authorized agent and paid from the Refund Account of the General Fund. No refund or credit may be allowed with respect to any payments made to the city more than two years before the date of such application; provided, that where a taxpayer makes application for a refund or credit of an overpayment made more than two years before the date of such application, the amount of the refund or credit otherwise allowable for the portion of the assessment period preceding the two-year period may be offset against any existing tax deficiency which accrued under this chapter within such assessment period.

B. Notwithstanding the foregoing limitations there shall be refunded or credited to taxpayers engaged in the performance of United States government contracts or subcontracts the amount of any tax paid, measured by that portion of the amounts received from the United States, which the taxpayer is required by contract or applicable federal statute to refund or credit to the United States, if claim for such refund is filed by the taxpayer with the Director of Licenses and Consumer Affairs within one year of the date that the amount of the refund or credit due to the United States is finally determined and filed within four years of the date on which tax was paid.

C. If the Director of Licenses and Consumer Affairs finds that the fee or tax or penalty paid is less than the amount due, the Director of Licenses and Consumer Affairs shall mail the

taxpayer a statement showing the balance due and shall add thereto interest on such balance at the rate of six percent per year from the date of underpayment until paid and the taxpayer shall, within three days from the date of the mailing of such statement, pay the amount shown thereon as the balance due plus such interest. No demand for an additional fee or tax or penalty shall be made by the Director of Licenses and Consumer Affairs more than four years after the close of the year in which the same accrued except:

1. Against a taxpayer who is not registered as required by this chapter;

2. As against a taxpayer who has been guilty of fraud or misrepresentation of a material fact; or

3. Where a taxpayer has executed a written waiver of such limitations.

(Ord. 106058 § 2, 1976; Ord. 102623 § 11, 1973; Ord. 94209 § 1, 1965; Ord. 81150 § 6, 1952; Ord. 72630 § 20, 1943.)

### 5.44.220 Failure to make return.

If any taxpayer fails, neglects or refuses to make his return as and when required in this chapter, the Director of Licenses and Consumer Affairs is authorized to determine the amount of the tax payable, and by mail to notify such taxpayer of the amount so determined. The amount so fixed shall thereupon become the tax and be immediately due and payable.

(Ord. 102623 § 12, 1973; Ord. 72630 § 12, 1943.)

### 5.44.230 Appeals.

Any taxpayer aggrieved by the amount of the fee or tax found by the Director of Licenses and Consumer Affairs to be required under the provisions of this chapter, may file a written appeal with the Office of the Hearing Examiner within twenty days from the time such taxpayer was given notice of such amount and providing a copy of the notice of appeal to the Director and the City Attorney. The hearing shall be conducted in accordance with the procedures for hearing contested cases in the Seattle Administrative Code (Ordinance 102228).<sup>1</sup> The determination appealed from shall be regarded as prima facie correct. The Hearing Examiner may reverse or modify an action of the Director and ascertain the correct amount of the fee or tax due if the Director's determination violates the terms of this chapter

or is contrary to law. The decision of the Hearing Examiner shall be final.

(Ord. 108355 § 1, 1979; Ord. 102623 § 13, 1973; Ord. 85918 § 1, 1957; Ord. 72630 § 22, 1943.)

1. Editor's Note: The Administrative Code is codified in Chapter 3.02 of this Code.

#### 5.44.240 Director to make rules.

The Director of Licenses and Consumer Affairs shall have the power and it shall be his duty, from time to time, to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with law for the purpose of carrying out the provisions of this chapter and it shall be unlawful to violate or fail to comply with, any such rule or regulation.

(Ord. 102623 § 14, 1973; Ord. 72630 § 23, 1943.)

#### 5.44.250 Mailing of notices.

Any notice required by this chapter to be mailed to any taxpayer shall be sent by ordinary mail, addressed to the address of the taxpayer as shown by the records of the Director of Licenses and Consumer Affairs, or if no such address is shown, to such address as the Director of Licenses and Consumer Affairs is able to ascertain by reasonable effort. Failure of the taxpayer to receive any such mailed notice shall not release the taxpayer from any tax or any penalties thereon, nor shall such failure operate to extend any time limit set by the provisions of this chapter.

(Ord. 102623 § 15, 1973; Ord. 72630 § 24, 1943.)

#### 5.44.260 False returns or statements.

It shall be unlawful for any person liable to tax under this chapter to fail or refuse to secure the license, to make the returns as and when required, or to pay the fee or tax when due, or for any person to make any false or fraudulent application or return or any false statement or representation in, or in connection with, any such application or return, or to aid or abet another in any attempt to evade payment of the fee or tax, or any part thereof, or for any person to fail to appear and/or testify in response to subpoena issued pursuant hereto, or to testify falsely upon any investigation of the correctness of a return, or upon the hearing of any appeal, or in any manner to hinder or delay the

city or any of its officers in carrying out the provisions of this chapter.

(Ord. 72630 § 25, 1943.)

#### 5.44.270 License fee additional to others.

The license fee and tax levied in this chapter shall be additional to any license fee or tax imposed or levied under any law or any other ordinance of the city except as herein otherwise expressly provided.

(Ord. 72630 § 26, 1943.)

#### 5.44.280 Collection of delinquent fee or tax.

Any license fee or tax due and unpaid and delinquent under this chapter, and all penalties thereon, may be collected by civil action, which remedy shall be in addition to any and all other existing remedies.

(Ord. 81150 § 7, 1952; Ord. 72630 § 27, 1943.)

#### 5.44.290 Application to city's business activities.

Whenever the city through any department or division shall engage in any business activity which if engaged in by any person would under this chapter require a business license and the payment of a license fee or tax by such person, the city department or division engaging in such business activity at the same time and in the same manner as persons are required under this chapter make returns and from the funds of such department or division pay the license fees or taxes imposed by this chapter: Provided, that this section shall not apply to the public transportation system of such city.

(Ord. 86164 § 1, 1957; Ord. 72630 § 28, 1943.)

#### 5.44.300 Revocation of license.

The Director of Licenses and Consumer Affairs may revoke the license issued to any taxpayer who is in default in any payment of any license fee or tax under this chapter, or who fails to comply with any of the provisions of this chapter. Notice of such revocation shall be mailed to the taxpayer by the Director of Licenses and Consumer Affairs, and on and after the date thereof any such taxpayer who continues to engage in business shall be deemed to be operating without a license and shall be subject to any or all penalties provided in this chapter.

(Ord. 102623 § 16, 1973; Ord. 72630 § 29, 1943.)

**5.44.310 Violation—Penalty.**

A. Any person violating or failing to comply with any of the provisions of this chapter or any lawful rule or regulation adopted by the Director of Licenses and Consumer Affairs pursuant thereto, upon conviction thereof, shall be punished by a fine in any sum not to exceed Three Hundred Dollars (\$300.00) or by imprisonment in the City Jail for a term not exceeding ninety days, or by both such fine and imprisonment.

B. Any taxpayer who engages in, or carries on, any business subject to a tax under this chapter without having his business license so to do shall be guilty of a violation of this chapter for each day during which the business is so engaged in, or carried on: and any taxpayer who fails or refuses to pay the license fee or tax, or any part thereof, on or before the due date, shall be deemed to be operating without having his license so to do.

(Ord. 102623 § 17, 1973; Ord. 72630 § 30, 1943.)

**Chapter 5.48**

**BUSINESS TAX—UTILITIES**

**Sections:**

- 5.48.010 Exercise of revenue license power.
- 5.48.020 Definitions.
- 5.48.030 Occupation license required.
- 5.48.040 License tax year.
- 5.48.050 Occupations subject to tax—Amount.
- 5.48.060 City of Seattle subject to tax.
- 5.48.070 Exceptions and deductions.
- 5.48.080 Application for license.
- 5.48.090 Monthly and quarterly payment of tax—Returns.
- 5.48.100 Commencement of business during tax year.
- 5.48.110 Sale or transfer of business.
- 5.48.120 Taxpayer to keep books and records—Returns confidential.
- 5.48.130 Director to investigate returns.
- 5.48.140 Extension of time for filing returns—Late payment of tax—Penalties.
- 5.48.150 Over or under payment of tax.
- 5.48.160 Remedy for nonpayment of tax.

- 5.48.170 Appeals to City Council.
- 5.48.180 Director to make rules.
- 5.48.190 Display of license.
- 5.48.200 False statements.
- 5.48.210 Violation—Penalty.

Severability: If any provision or section of this chapter shall be held void or unconstitutional, all other parts, provisions and sections of this chapter not expressly so held to be void or unconstitutional shall continue in full force and effect.  
(Ord. 62662 § 23, 1932.)

Cases: A city excise tax which makes a distinction between national banks and the chattel loan business is not unreasonable. *Austin v. Seattle*, 176 Wn. 654, 30 P.2d 646 (1934).

**5.48.010 Exercise of revenue license power.**

The provisions of this chapter shall be deemed an exercise of the power of the city of Seattle to license for revenue.

(Ord. 62662 § 1, 1932.)

**5.48.020 Definitions.**

In construing the provisions of this chapter save when otherwise plainly declared or clearly apparent from the context, the following definitions shall be applied:

A. "Gross income" means the value proceeding or accruing from the sale of tangible property or service, and receipts, (including all sums earned or charged, whether received or not) by reason of the investment of capital in the business engaged in, including rentals, royalties, fees or other emoluments, however designated (excluding receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages, or other evidences of indebtedness, or stocks and the like) and without any deduction on account of the cost of the property sold, the cost of materials used, labor costs, interest or discount paid, or any expense whatsoever, and without any deduction on account of losses.

B. "Person or persons" means persons of either sex, firms, copartnerships, corporations and other associations of natural persons, whether acting by themselves or by servants, agents or employees.

C. "Taxpayer" means any person liable to license fee or tax imposed by this chapter.

D. "Tax year or taxable year" means the year commencing March 1st and ending on the last day of February of the following year, or, in lieu thereof, the taxpayer's fiscal year when permission is obtained from the Director of

Licenses and Consumer Affairs to use the same as the tax period.  
(Ord. 102620 § 1, 1973; Ord. 62662 § 2, 1932.)

#### 5.48.030 Occupation license required.

A. After July 1, 1932, no person shall engage in or carry on any business, occupation, pursuit or privilege for which a license fee or tax is imposed by this chapter without having first obtained, and being the holder of, a valid and subsisting license so to do, to be known as an "occupation license."

B. Any person engaging in, or carrying on, more than one such business, occupation, pursuit or privilege shall pay the license tax so imposed upon each of the same.

C. Any taxpayer who engages in, or carries on, any business subject to tax under this chapter without having his occupation license so to do, shall be guilty of a violation of this chapter for each day during which the business is so engaged in or carried on, and any taxpayer who fails or refuses to pay the license fee or tax or any part thereof on or before the due date shall be deemed to be operating without having his license so to do.

(Ord. 62662 § 3, 1932.)

#### 5.48.040 License tax year.

All occupation licenses and the fee or tax therefor shall be for the tax year for which issued and shall expire at the end of the tax year.  
(Ord. 98423 § 1, 1969; Ord. 62662 § 4, 1932.)

#### 5.48.050 Occupations subject to tax—Amount.

There are levied upon, and shall be collected from everyone, including the city, on account of certain business activities engaged in or carried on, annual license fees or occupation taxes in the amounts to be determined by the application of rates given against the gross income as follows:

A. Upon everyone engaged in carrying on a telegraph business, a fee or tax equal to eight percent of the total gross income from such business in the city; provided, that the minimum fee or tax shall not be less than Fifty Dollars (\$50.00) per tax year;

B. Upon everyone engaged in carrying on a telephone business, a fee or tax equal to eight percent of the total gross income from such business in the city; provided, that the minimum fee or tax shall not be less than Fifty Dollars

(\$50.00) per tax year; provided, further, that in computing such total gross income there shall be excluded therefrom eighty percent of all revenues from intrastate toll messages originating in the city, in accordance with previous practice;

C. Effective January 1, 1977, upon everyone engaged in or carrying on the business of selling or furnishing gas for hire, a fee or tax equal to eight percent of the total gross income from such business in the city; provided, that the minimum fee or tax shall not be less than One Thousand Dollars (\$1,000.00) per tax year;

D. Upon everyone, including the city, engaged in or carrying on the business of selling or furnishing water for hire, a fee or tax equal to eight percent of the total gross income from such business in the city; provided, that the minimum fee or tax shall not be less than One Thousand Dollars (\$1,000.00) per tax year; and provided further that as to the city in the conduct of its municipal water utility, such tax shall be applicable to the business of such utility done without, as well as within, the city;

E. Upon everyone, including the city, engaged in or carrying on the business of selling or furnishing electric light and power, a fee or tax equal to eight percent of the total gross income from such business in the city; provided, that the minimum fee or tax shall not be less than Two Hundred Fifty Dollars (\$250.00) per tax year, provided that the tax liability imposed under this section shall not apply to the city for that portion of the gross income derived by the imposition of the purchased power surcharge imposed upon the rates for the use of electric light and power pursuant to Section 1 of Ordinance. . . . .<sup>1</sup>

F. Upon everyone conducting or engaged in the business of supplying steam heat or power to the public for hire, a fee or tax equal to eight percent of the total gross income from such business in the city; provided, that the minimum fee or tax shall not be less than Ten Dollars (\$10.00) per tax year;

G. Upon everyone engaged in the business of operating or conducting a fire alarm system, district telegraph or burglary and police alarm system for hire, a fee or tax equal to eight percent of the total gross income from such business in the city; provided, that the minimum fee or tax shall not be less than One Hundred Dollars (\$100.00) per tax year;

H. Upon the city of Seattle in respect to the conduct, maintenance and operation of its

## REVENUE, FINANCE AND TAXATION

municipal sewerage system as a public utility under ordinance of the city, a fee or tax equal to eight percent of the total gross income from the sewerage charges provided for and collected by the city under such ordinance;

I. Upon the city of Seattle in respect to the conduct, maintenance and operation of its system for collection and disposal of garbage, rubbish and trade and other waste as a public utility under ordinance of the city, a fee or tax equal to eight percent of the total gross income from the collection and disposal charges provided for and collected by the city under said ordinance;

J. As of January 1, 1977, upon everyone engaged in the business of operating or conducting a cable television system (CATV), a fee or tax equal to six percent of the total gross income from gross subscriber revenues. For purposes of this chapter, "gross subscriber revenues" means and includes only those revenues derived from the supplying of regular subscription service, that is the installation fees, disconnect and reconnect fees, and fees for regular cable benefits including the transmission of broadcast signals and access and origination channels if any, and does not include revenues derived from per-program or per-channel charges, leased channel revenue, advertising revenues, or any other income derived from the system.

(Ord. 106526 § 1, 1977; Ord. 106088 § 1, 1976; Ord. 106041 § 1, 1976; Ord. 104434 § 1, 1975; Ord. 104357 § 1, 1975; Ord. 104033 § 1, 1974; Ord. 98423 § 2, 1969; Ord. 97288 § 1, 1968; Ord. 94116 § 1, 1965; Ord. 90511 § 1, 1961; Ord. 87623 § 1, 1958; Ord. 85885 § 1, 1957; Ord. 84414 § 1, 1955; Ord. 62662 § 5, 1932.)

Cases: A city ordinance which subjects a private public utility company to a license or excise tax based on gross income, while leaving untaxed a competing business operated by the city, is not unconstitutional as a denial of equal protection or as a taking of property without due process of law. *Puget Sound Power and Light Co. v. Seattle*, 219 U.S. 620, 54 S.Ct. 542, 78 L.Ed. 1028 (1934), aff'g 172 Wn. 668, 21 P.2d 727 (1933).

Ordinance 62662, an excise tax measured by the gross income derived from business within the city, is not so vague and indefinite as to violate the due process clause of the Fourteenth Amendment, as applied to a foreign telephone company doing business within and without the city. *Pacific Teleph. & Teleg. Co. v. Seattle*, 291 U.S. 300 (1934) aff's 172 Wn. 649, 21 P.2d 721 (1933).

Ordinance 62662, which requires burglar alarm system businesses to pay a higher tax rate than other types of burglar prevention services, held not to violate the equal protection clause

of Article 1, Section 12 of the State Constitution. *Sonitrol Northwest v. Seattle*, 84 Wn.2d 588, 528 P.2d 474 (1974).

1. Editor's Note: Ord. 106526 was passed with this incomplete reference.

### 5.48.060 City of Seattle subject to tax.

Subsections D, E, H and I of Section 5.48.050, and Section 5.48.140 shall, so far as permitted by law, be applicable to the city of Seattle, except that the city shall not, as a taxpayer, be required to conform to the other provisions of this chapter. The fee or tax imposed upon the municipal light and power system of the city shall be applicable to the business of such system both within and without the city; provided, that as to the gross income derived by such system from the production, sale or transfer of electric energy for resale or consumption outside the state the fee or tax shall be in an amount equal to five percent of the gross income.

(Ord. 104802 § 1, 1975; Ord. 99524 § 1, 1970; Ord. 84414 § 2, 1955; Ord. 62662 § 6, 1932.)

### 5.48.070 Exceptions and deductions.

A. There shall be excepted and deducted from the total gross income upon which the license fee or tax is computed, so much thereof as is derived from business which the city is prohibited from taxing under the Constitution or laws of the United States, the Constitution or laws of the state, or the Charter of the city; and any amount paid by the taxpayer to the United States, the state, or the city as excise taxes levied or imposed upon the sale or distribution of property or services.

B. Any person subject to a license fee or tax under the provisions of any ordinance of the city, other than this chapter or Ordinance 98776,<sup>2</sup> on account of engaging in any activity for which he is liable for tax under this chapter, may deduct the amount of such fee or tax from the amount of fee or tax imposed by this chapter on account of such activity, but such person shall nevertheless, in the manner provided for in this chapter, apply for and procure an occupation license.

(Ord. 100327 § 1, 1971; Ord. 62662 § 9, 1932.)

1. Editor's Note: The Charter is included at the beginning of this Code.

2. Editor's Note: Ord. 98776 has been repealed by Ord. 108138.

Cases: Since the exactions levied under Seattle Ordinance 62662 and the corresponding state law are not "taxes imposed or levied upon the sale or distribution of property or services," the amounts paid pursuant to the terms of such ordinance and state law are not deductible under Section 9 of Ordinance 62662. *Seattle Gas Co. v. Seattle*, 192 Wn. 456, 73 P.2d 1312 (1937).

#### 5.48.080 Application for license.

On or before the first day of each tax year, every taxpayer shall apply to the Director of Licenses and Consumer Affairs for an occupation license, upon forms provided by the Director. Every such application shall be accompanied by the specified minimum fee or tax, which amount shall be credited against future installments; provided Section 7A<sup>1</sup> occupation license applications shall be accompanied by the specified annual fee or quarterly installment thereof. (Ord. 107158 § 9, 1978: Ord. 102620 § 2, 1973: Ord. 98423 § 3, 1969: Ord. 62662 § 10, 1932.)

1. Editor's Note: Section 7A of Ord. 62662 was repealed by Ord. 101033.

#### 5.48.090 Monthly and quarterly payment of tax—Returns.

A. Where the amount of the license fee or tax is based upon gross income, the taxpayer shall pay his fee or tax in monthly installments during the life of his license, each such installment to be paid on or before the fifteenth day of each month during the tax year and to be based on the total gross income of the preceding month. In all other cases the taxpayer may pay his fee or tax in equal installments during the life of his license, each such installment to be paid on or before March 1st, June 1st, September 1st, and December 1st respectively.

B. Each such remittance shall be by bank draft, certified check, cashier's check or money order, payable to the City Treasurer or in cash, in the amount of the tax or fee or installment thereof required by the provisions of this chapter, and shall be accompanied by a return on blanks or forms prepared and provided by the Director of Licenses and Consumer Affairs requesting such information as may be necessary to enable the Director of Licenses and Consumer Affairs to determine the lawful amount of the fee or tax. The taxpayer shall, in a legible manner, write in such blank or form or return the information required and shall sign the same and by affidavit at the foot thereof shall swear or affirm that the information given is full and

true and that he knows the same to be so.

C. If the taxpayer is a partnership, the return must be made by one of the partners; if a corporation, by one of the officers thereof; if a foreign corporation, copartnership or nonresident individual, by the resident agent or local manager of the corporation, copartnership or individual. (Ord. 102620 § 3, 1973: Ord. 98423 § 4, 1969: Ord. 62662 § 11, 1932.)

#### 5.48.100 Commencement of business during tax year.

A. Whenever a taxpayer commences during any tax year to engage in any business, occupation, pursuit or privilege, for which an occupation license is required under the provisions of this chapter, and as to which the amount of the license fee or tax is based on gross income, his returns and the license fee or tax shall be based upon and cover the portion of the tax year during which he is engaged in business.

B. In all other cases where a person commences during any tax year to engage in any business, occupation, pursuit or privilege, for which an occupation license is required under the provisions of this chapter, he shall be entitled to a license for the remainder of such tax year for the required fee apportioned in the ratio of said remainder to a full tax year. (Ord. 98423 § 5, 1969: Ord. 62662 § 12, 1932.)

#### 5.48.110 Sale or transfer of business.

Upon the sale or transfer during any tax year of a business on account of which a fee or tax is required by this chapter, the purchaser or transferee shall, if the fee or tax has not been paid in full for the year, be responsible for its payment for that portion of the year during which he carries on such business. (Ord. 62662 § 14, 1932.)

#### 5.48.120 Taxpayer to keep books and records—Returns confidential.

A. It shall be the duty of each taxpayer taxed upon his gross income to keep and enter in a proper book or set of books or records an account which shall accurately reflect the amount of his gross income, which account shall always be open to the inspection of the Director of Licenses and Consumer Affairs, or his duly authorized agent, and from which the officer or his agent may verify the return made by the taxpayer.

B. The applications, statements or returns made to the Director of Licenses and Consumer Affairs pursuant to this chapter shall not be made public, nor shall they be subject to the inspection of any person except the Mayor, the Corporation Counsel, the City Comptroller or his authorized agent, the Director of Licenses and Consumer Affairs or his authorized agents, members of the City Council or their authorized agents, and the Director of the Office of Management and Budget or his authorized agent. (Ord. 106168 § 1, 1977; Ord. 102620 § 4, 1973; Ord. 62662 § 15, 1932.)

**5.48.130 Director to investigate returns.**

If any taxpayer fails to apply for license or make his return, or if the Director of Licenses and Consumer Affairs is dissatisfied as to the correctness of the statements made in the application or return of any taxpayer, the officer, or his authorized agent, may enter the premises of such taxpayer at any reasonable time for the purpose of inspecting his books or records of account to ascertain the amount of the fee or tax or to determine the correctness of such statements, as the case may be, and may examine any person under oath administered by the officer, or his agent, touching the matters inquired into, or the officer, or his authorized agent, may fix a time and place for an investigation of the correctness of the return and may issue a subpoena to the taxpayer, or any other person, to attend upon such investigation and there testify, under oath administered by the officer, or his agent, in regard to the matters inquired into and may, by subpoena, require him, or any person, to bring with him such books, records and papers as may be necessary. (Ord. 102620 § 5, 1973; Ord. 62662 § 16, 1932.)

**5.48.140 Extension of time for filing returns—  
Late payment of tax—Penalties.**

A. The Director of Licenses and Consumer Affairs for good cause shown may extend the time for making and filing any return required under this chapter and may grant such reasonable additional time within which to make and file such return as he may deem proper.

B. If payment of any fee or tax is not received by the City Treasurer by the last day of the month in which such fee or tax becomes due, there shall be assessed a penalty of five percent of the amount due with a minimum penalty

of Five Dollars (\$5.00); and if the fee or tax is not received by the last day of the month next succeeding the month in which the due date falls, there shall be assessed a total penalty of ten percent of the amount due with a minimum penalty of Fifteen Dollars (\$15.00); and if the fee or tax is not received by the last day of the second month next succeeding the month in which the due date falls, there shall be assessed a total penalty of twenty percent of the amount due, with a minimum penalty of Twenty-five Dollars (\$25.00).

(Ord. 104802 § 2, 1975; Ord. 62662 § 16.A, 1932.)

**5.48.150 Over or under payment of tax.**

If the Director of Licenses and Consumer Affairs upon investigation or upon checking returns finds that the fee or tax paid on any of them is more than the amount required of the taxpayer, he shall so certify to the City Comptroller for refund of the amount overpaid by a warrant upon the General Fund. If the Director of Licenses and Consumer Affairs finds that the fee or tax is less than required, he shall send a statement to the taxpayer showing the balance due, who shall within three days pay the amount thereon.

(Ord. 102620 § 6, 1973; Ord. 62662 § 17, 1932.)

**5.48.160 Remedy for nonpayment of tax.**

A. If any taxpayer fails to apply for a license, or make his returns, or to pay the fee or tax therefor, or any part thereof, within fifteen days after the same shall have become due, the Director of Licenses and Consumer Affairs shall ascertain the amount of the fee or tax or installment thereof due and shall notify such taxpayer thereof, who shall be liable therefor in any suit or action by the city for the collection thereof.

B. The Director of Licenses and Consumer Affairs shall also notify the City Attorney in writing of the name of such delinquent taxpayer and the amount due from him and the officer shall, with the assistance of the Director of Licenses and Consumer Affairs, collect the same by any appropriate means or by suit or action in the name of the city.

(Ord. 102620 § 7, 1973; Ord. 98423 § 6, 1969; Ord. 62662 § 18, 1932.)

**5.48.170 Appeals to City Council.**

A. Any taxpayer aggrieved by the amount of

the fee or tax found by the Director of Licenses and Consumer Affairs to be required under the provisions of this chapter, may appeal to the City Council from such finding by filing a written notice of appeal with the City Clerk within five days from the time such taxpayer was given notice of such amount. The Clerk shall, as soon as practicable, fix a time and place for the hearing of such appeal, which time shall be not more than ten days after the filing of the notice of appeal, and he shall cause a notice of the time and place thereof to be delivered or mailed to the appellant. At such hearing, the taxpayer shall be entitled to be heard and to introduce evidence in his own behalf. The City Council shall thereupon ascertain the correct amount of the fee or tax by resolution and the City Clerk shall immediately notify the appellant thereof, which amount, together with costs of the appeal, if appellant is unsuccessful therein, must be paid within three days after such notice is given.

B. The President of the City Council, or the Chairman of any committee thereof, before which the appeal is to be heard, may, by subpoena, require the attendance thereof of any person, and may also require him to produce any pertinent books and records. Any person served with such subpoena shall appear at the time and place therein stated and produce the books and records required, if any, and shall testify truthfully under oath administered by the Chairman in charge of the hearing on appeal as to any matter required of him pertinent to the appeal, and it shall be unlawful for him to fail or refuse so to do.

(Ord. 102620 § 8, 1973; Ord. 62662 § 19, 1932.)

#### 5.48.180 Director to make rules.

The Director of Licenses and Consumer Affairs shall have the power, and it shall be his duty, from time to time, to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with law for the purpose of carrying out the provisions thereof, and it is unlawful to violate or fail to comply with, any such rule or regulation.

(Ord. 102620 § 9, 1973; Ord. 62662 § 20, 1932.)

#### 5.48.190 Display of license.

A. All licenses issued pursuant to the provisions of this chapter shall be kept posted by the

licensee in a conspicuous place in his principal place of business in the city.

B. No person to whom a license has been issued, pursuant to this chapter shall suffer or allow any other person chargeable with a separate license to operate under or display his license, nor shall such other person operate under or display such license.

(Ord. 102620 § 10, 1973; Ord. 62662 § 21, 1932.)

#### 5.48.200 False statements.

It shall be unlawful for any person liable to tax under this chapter to fail or refuse to make application or return for a license or to pay the fee or tax or installment thereof when due, or for any person to make any false or fraudulent application or return or any false statement or representation in, or in connection with, any such application or return, or to aid or abet another in any attempt to evade payment of the fee or tax, or any part thereof, or for any person to fail to appear and/or testify in response to subpoena issued pursuant to this chapter, or to testify falsely upon any investigation of the correctness of a return, or upon the hearing of any appeal, or in any manner to hinder or delay the city or any of its officers in carrying out the provisions of this chapter.

(Ord. 62662 § 22, 1932.)

#### 5.48.210 Violation—Penalty.

Any person violating or failing to comply with any of the provisions of this chapter or any lawful rule or regulation adopted by the Director of Licenses and Consumer Affairs pursuant to this chapter, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine in any sum not to exceed Three Hundred Dollars (\$300.00), or by imprisonment in the City Jail for a term not exceeding ninety days, or by both such fine and imprisonment.

(Ord. 102620 § 11, 1973; Ord. 62662 § 24, 1932.)

Chapter 5.52

GAMBLING TAX

Sections:

- 5.52.010 Tax levied.
- 5.52.020 Filing of intent to conduct activity—Payments—Late fees.
- 5.52.030 Enforcement—Over or under payment of tax.
- 5.52.040 Keeping of books and records—Inspection.
- 5.52.050 False statement or failure to pay tax—Penalty.

Statutory Reference: For statutory provisions authorizing cities to tax certain gambling activities, see RCW 9.46.110.

Severability: If any clause, sentence, paragraph or part of this chapter, or the application thereof to any person or circumstances, shall for any reason be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this chapter. (Ord. 107278 § 5, 1978; Ord. 102459 § 6, 1973.)

5.52.010 Tax levied.

In accordance with RCW Chapter 9.46, as amended, there is levied upon all persons, corporations, associations, or organizations conducting or operating within the city any gambling activity enumerated in this chapter and authorized by RCW 9.46.030, as amended, including gambling activities conducted in connection with a fund-raising event as defined by RCW 9.46.020(23), a tax as follows:

For the conduct of bingo games and raffles, a tax in an amount equal to ten percent of the gross revenue, less the amount paid for as prizes, received therefrom; and

As of September 21, 1977, for the conduct of amusement games, a tax in an amount equal to two percent of the gross revenue, less the amount paid for or as prizes, received therefrom; and

For the conduct of a fund-raising event, a tax in an amount equal to ten percent of the gross revenue, less the amount paid for or as prizes, received therefrom; but

Provided, no tax shall be imposed on bingo, raffles or amusement games when such activity or any combination thereof is conducted by a bona fide charitable or nonprofit organization as defined in RCW 9.46.020(3), which organi-

zation has no paid operating or management personnel and has gross income from bingo, raffles or amusement games or any combination thereof, less the amount paid for or as prizes, not exceeding Five Thousand Dollars (\$5,000.00) per year; and

Provided, further, that the conduct of amusement games at the Seattle Center pursuant to a concession agreement with the city shall be exempt from the tax imposed by this chapter. (Ord. 107278 § 1, 1978; Ord. 104087 § 2, 1974; Ord. 103598 § 1, 1974; Ord. 103016 § 1, 1974; Ord. 102835 § 9(part), 1973; Ord. 102459 § 1, 1973.)

Cases: A tax upon gambling revenues to include those received a short time prior to enactment of the tax is not unconstitutional on that ground. *Drum & Bugle Corps. v. Seattle*, 14 Wn.App. 845, 545 P.2d 1235 (1976).

5.52.020 Filing of intent to conduct activity—Payments—Late fees.

A. Any person, corporation, association, organization, or bona fide charitable or nonprofit organization intending to conduct or operate in the city any such gambling activity or fund-raising event as authorized by or under RCW 9.46.030, as amended, and subject to the tax imposed by this chapter shall, prior to the commencement of any such activity, file with the Director of Licenses and Consumer Affairs a sworn declaration of intent to conduct or operate such activity together with a copy of the license therefor issued in accordance with said Chapter 218, Laws of Washington, 1973 1st Ex. Sess., as amended, if such is required, and thereafter for any period covered by such license, or any renewal thereof, or by such statement of intent, shall on or before the fifteenth day of the month next succeeding the end of the quarterly period in which the tax accrued, file with the Director of Licenses and Consumer Affairs a sworn return on a form to be provided and prescribed by the Director of Licenses and Consumer Affairs, and containing such information as the Director of Licenses and Consumer Affairs shall prescribe for the purpose of ascertaining the tax due for the preceding quarterly period.

B. As used in this chapter, the term "quarterly period" shall mean the periods January-February-March, April-May-June, July-August-September, October-November-December and shall begin the first day of the first month and

include the last day of the third month within each such period.

C. The tax imposed by this chapter shall be due and payable in quarterly installments, and remittance therefor shall accompany each return and be made on or before the fifteenth day of the month next succeeding the quarterly period in which the tax accrued.

D. For each payment due, if such payment is not made within sixteen days from the due date thereof, there shall be added a penalty as follows:

Seventeen to forty days delinquency, ten percent with a minimum penalty of Two Dollars (\$2.00); forty-one to seventy days delinquency, fifteen percent with a minimum penalty of Four Dollars (\$4.00); seventy-one or more days delinquency, twenty percent with a minimum penalty of Seven Dollars (\$7.00).

(Ord. 107278 § 2, 1978; Ord. 103598 § 2, 1974; Ord. 102835 § 9(part), 1973; Ord. 102459 § 2, 1973.)

#### 5.52.030 Enforcement—Over or under payment of tax.

A. The Director of Licenses and Consumer Affairs shall have the power, and it shall be his duty, from time to time, to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with law for the purpose of carrying out the provisions hereof, and he shall have the further duty and authority to prescribe and issue appropriate forms for determination and declaration of the amount of tax to be paid.

B. In the event of overpayment of any tax due under this chapter, the Director of Licenses and Consumer Affairs or his authorized agent upon written application by the taxpayer for a refund or credit within two years after the date of such overpayment, may offset the amount of such overpayment against the taxpayer's existing tax liability under this chapter and certify to the City Comptroller for refund of any balance to such taxpayer or credit such balance to taxes which may accrue under this chapter. Refund of overpayments as authorized in this section shall be approved by the Director of Licenses and Consumer Affairs or his authorized agent and paid from Contingent Fund "C," created by Ordinance 70792.<sup>1</sup> No refund or credit may be allowed with respect to any payments made to the city more than two years before the date of such application; provided, that where a taxpayer makes

application for a refund or credit of an overpayment made more than two years before the date of such application, the amount of the refund or credit otherwise allowable for the portion of the assessment period preceding the two-year period may be offset against any existing tax deficiency which accrued under this chapter within such assessment period.

C. If the Director of Licenses and Consumer Affairs finds that the fee or tax or penalty paid is less than the amount due, the Director of Licenses and Consumer Affairs shall mail the taxpayer a statement showing the balance due and shall add thereto interest on such balance at the rate of six percent per year from the date of underpayment until paid and the taxpayer shall within three days from the date of mailing statement pay the amount shown thereon as the balance due plus such interest. No demand for an additional fee or tax or penalty shall be made by the Director of Licenses and Consumer Affairs more than four years after the close of the year in which the same accrued except:

1. Against a taxpayer who is not registered as required by this chapter;
2. As against a taxpayer who has been guilty of fraud or misrepresentation of a material fact; or
3. Where a taxpayer has executed a written waiver of such limitations.

(Ord. 102835 § 9(part), 1973; Ord. 102459 § 3, 1973.)

1. Editor's Note: Ord. 70792 has been repealed by Ord. 106058 and the funds transferred to the Treasurer's Clearing Fund.

#### 5.52.040 Keeping of books and records—Inspection.

It shall be the duty of every person, corporation, association, organization or bona fide charitable or nonprofit organization liable for the payment of any tax imposed by this chapter to keep and preserve for the period of five years such books and records as will accurately reflect the amount of gross revenue received from any gambling activity or fund-raising event enumerated in Section 5.52.010 and from which can be determined the amount of tax for which such person, corporation, association, organization or bona fide charitable or nonprofit organization may be liable under the provisions of this chapter; and all such books and records, and also invoices, inventories and stocks of goods,

wares and merchandise shall be open for inspection at all reasonable times by the Director of Licenses and Consumer Affairs or his duly authorized agent.

(Ord. 107278 § 3, 1978; Ord. 103598 § 3, 1974; Ord. 103016 § 2, 1974; Ord. 102835 § 9(part), 1973; Ord. 102459 § 4, 1973.)

**5.52.050 False statement or failure to pay tax—Penalty.**

It is unlawful for anyone to falsify or fail to furnish any declaration or return required by this chapter, or to fail or refuse to pay the tax levied by this chapter. Upon conviction of any violation of this section, the offender shall be subject to a fine of not to exceed Five Hundred Dollars (\$500.00).

(Ord. 102835 § 9(part), 1973; Ord. 102459 § 5, 1973.)

**Chapter 5.56**

**LEASEHOLD EXCISE TAX**

**Sections:**

**Subchapter I General Provisions**

- 5.56.010 Tax levied—Remittance.
- 5.56.020 Rate of tax—Credits allowed.
- 5.56.030 Administration and collection—Contract.
- 5.56.040 Exemptions.
- 5.56.050 Inspection of records.
- 5.56.060 Failure to pay tax—Violation and penalty.

Severability: If any provision of Subchapter I, or its application to any person or circumstance is held invalid, the remainder of Subchapter I, and the application of the provision to other persons or circumstances is not affected. (Ord. 105450 § 6, 1976.)

**Subchapter II City as Lessor**

- 5.56.100 Tax levied.
- 5.56.110 Collection of tax.
- 5.56.120 Remittance of tax.
- 5.56.130 Establishment of subaccounts.

Statutory Reference: For statutory provisions on leasehold excise taxes, see RCW Ch. 82.29A.

**Subchapter I General Provisions**

**5.56.010 Tax levied—Remittance.**

There is levied and shall be collected a leasehold excise tax on and after January 1, 1976, upon the act or privilege of occupying or using publicly owned real or personal property within the city of Seattle through a "leasehold interest" as defined by Section 2, Chapter 61, Laws of 1975-76, Second Extraordinary Session (hereafter "the State Act"), which tax shall be paid, collected, and remitted to the Department of Revenue of the state of Washington at the time and in the manner prescribed by Section 5 of the State Act.

(Ord. 105450 § 1, 1976.)

**5.56.020 Rate of tax—Credits allowed.**

The rate of the tax imposed by Section 5.56.010 shall be four percent of the taxable rent (as defined by Section 2 of the State Act): Provided, that the following credits shall be allowed in determining the tax payable:

A. With respect to a leasehold interest arising out of any lease or agreement, the terms of which were binding on the lessee prior to July 1, 1970, where such lease or agreement has not been renegotiated (as defined by Section 2 of the State Act) since that date, and excluding from such credit: (1) any leasehold interest arising out of any lease of property covered by the provisions of RCW 28B.20.394 and (2) any lease or agreement including options to renew which extends beyond January 1, 1985, as follows:

With respect to taxes due in calendar year 1976, a credit equal to eighty percent of the tax produced by the above rate,

With respect to taxes due in calendar year 1977, a credit equal to sixty percent of the tax produced by the above rate,

With respect to taxes due in calendar year 1978, a credit equal to forty percent of the tax produced by the above rate,

With respect to taxes due in calendar year 1979, a credit equal to twenty percent of the tax produced by the above rate;

B. With respect to a product lease (as defined by Section 2 of the State Act), a credit of thirty-three percent of the tax produced by the above rate.

(Ord. 105450 § 2, 1976.)

**5.56.030 Administration and collection—Contract.**

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of the State Act, and for such purpose the Mayor is authorized for and on behalf of the city to execute a contract with the Washington State Department of Revenue. (Ord. 105450 § 3, 1976.)

**5.56.040 Exemptions.**

Leasehold interests exempted by Section 13 of the State Act as it now exists or may hereafter be amended shall be exempt from the tax imposed pursuant to Section 5.56.010. (Ord. 105450 § 4, 1976.)

**5.56.050 Inspection of records.**

In furtherance of the administration and collection of the tax imposed by this chapter, and as contemplated by RCW 82.32.330, proper officers of the state for official purposes may inspect such records of the city as may be necessary upon consent by the State Department of Revenue to inspection of similar state records by proper officers of the city. (Ord. 105450 § 5, 1976.)

**5.56.060 Failure to pay tax—Violation and penalty.**

A. It is unlawful for any person within the city, upon whom is levied the leasehold excise tax imposed by this chapter, to fail to pay such tax at the time and in the manner prescribed by Section 5 of the State Act.

B. Conduct made unlawful by this chapter shall constitute a violation subject to the provisions of Chapters 12A.02 and 12A.04 of this Code (Seattle Criminal Code) and any person convicted thereof may be punished by a civil fine or forfeiture not to exceed Five Hundred Dollars (\$500.00). (Ord. 105450 § 7, 1976.)

**Subchapter II City as Lessor****5.56.100 Tax levied.**

Chapter 61, Laws of 1975-76, Second Extraordinary Session (hereafter "the State Act"), imposes a leasehold excise tax upon the act or privilege of occupying or using publicly owned real or personal property through "a leasehold interest," as defined by Section 2 of the State

Act. The rate of said tax has been established by the State Act at twelve percent of taxable rent. The administration and collection of the tax shall be exclusively performed by the Department of Revenue of the state of Washington. (Ord. 105679 § 1, 1976.)

**5.56.110 Collection of tax.**

Section 5 of the State Act requires the lessor to collect the tax from the lessee and remit the same to the Department of Revenue. City departments acting as lessors under terms of the State Act shall, effective January 1, 1976, collect the tax as a surcharge upon contract rent in the amount of twelve percent of taxable rent, as defined in Section 2 of the State Act, or according to such different manner as the Department of Revenue may prescribe in accordance with Section 2 of the State Act. Collections of the tax shall be deposited in the appropriate operating funds of those city departments acting as lessors. The amounts shall be paid by the City Comptroller to the Department of Revenue upon execution of appropriate vouchers by the affected departments and in accordance with such rules as the Department of Revenue may promulgate. (Ord. 105679 § 2, 1976.)

**5.56.120 Remittance of tax.**

City departments required to collect the tax shall remit the tax collected to the state upon such forms and in accordance with such rules as the Department of Revenue shall prescribe. (Ord. 105679 § 3, 1976.)

**5.56.130 Establishment of subaccounts.**

The City Comptroller shall establish such subaccounts in the operating funds of departments required to collect the tax as shall be necessary to permit the separate and appropriate accounting of such tax, and shall inform such departments concerning the identity and coding of such subaccounts. (Ord. 105679 § 4, 1976.)

Chapter 5.60

SALES AND USE TAX

Sections:

- 5.60.010 Tax imposed.
- 5.60.020 Rate of tax.
- 5.60.030 Administration and collection—contract.
- 5.60.040 Inspection of records.
- 5.60.050 Failure to pay tax—Penalty.

Statutory Reference: For statutory provisions on municipal retail sales and use taxes, see RCW Ch. 82.14.

**5.60.010 Tax imposed.**

As of April 1, 1970, pursuant to the authority of Chapter 94, Laws of 1970, First Extraordinary Session, there is imposed a sales and use tax, upon every taxable event, as defined in RCW 82.14.020, occurring within the city, which tax shall be collected from those persons from whom the State Sales or Use Tax is collected pursuant to RCW Chapters 82.08 and 82.12. (Ord. 98708 § 1, 1970.)

**5.60.020 Rate of tax.**

The rate of the tax imposed by this chapter shall be five-tenths of one percent of the selling price or value of the article used, as the case may be; provided, however, that during such period as there is in effect a sales and use tax imposed by King County pursuant to and in accordance with RCW Chapter 82.14, the rate of the tax imposed by this chapter shall be four hundred and twenty-five one-thousandths of one percent. (Ord. 98708 § 2, 1970.)

**5.60.030 Administration and collection—Contract.**

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.050, and for such purpose the Mayor is authorized for and on behalf of the city to execute a contract with the Washington State Department of Revenue. (Ord. 98708 § 3, 1970.)

**5.60.040 Inspection of records.**

In furtherance of the administration and

collection of the tax imposed by this chapter, and as contemplated by RCW 82.32.330, proper officers of the state for official purposes may inspect such records of the city as may be necessary upon consent by the State Department of Revenue to inspection of similar state records by proper officers of the city. (Ord. 98708 § 4, 1970.)

**5.60.050 Failure to pay tax—Penalty.**

It is unlawful for any person within the city, from whom the State Sales or Use Tax is collected pursuant to RCW Chapters 82.08 and 82.12 to fail to collect, report and remit the tax imposed by this chapter, and any person failing so to do, shall upon conviction thereof be punishable by a fine of not more than Five Hundred Dollars (\$500.00) or imprisonment for a period of not more than six months, or by both such fine and imprisonment. (Ord. 98708 § 5, 1970.)

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Subtitle III Funds

Chapter 5.76

TABLE OF FUNDS

The following table provides the Code user with a list of funds established by the city of Seattle and the numbers of the ordinances creating and amending those funds. When the text of an ordinance has been codified, the applicable section or chapter number appears in parentheses following in the name of the fund.

Fund	Ord. No.
Abatement Revolving Fund . . . . .	.90578
Advance Payment Claims Fund (See § 5.24.040) . . . . .	.100501
Antirecessionary Grant Fund . . . . .	.105962
Arterial City Street Fund . . . . .	.90497, 107296
Arterial Development Fund. . . . .	.97053
Building Department Operating Fund . . . . .	.92478
Cherry Hill Fund, Program No. Wash. N-5. . . . .	.99155
City-County Health Fund (See § 3.30.020) . . . . .	.79432, 105143, 105144
Claims Payment Fund (See § 5.24.010) . . . . .	.103167
Community Development Operating Fund . . . . .	.99644
Comprehensive Planning Assistance Fund . . . . .	.101637, 103726, 103786, 104067, 104523
Consolidated Local Improvement District No. 1 Bond Redemption Fund . . . . .	.108419
Contingent Fund (See Charter Art. VIII § 10) . . . . .	Charter
Contingent Fund A . . . . .	.18132, 45599, 96790, 99585
Contingent Fund B . . . . .	.82620, 88537, 96234
Contingent Fund D . . . . .	.93614
Cumulative Reserve Fund . . . . .	.81301, 108549
Economic Development Grant Fund . . . . .	.106869
Employees Retirement Fund (See § 4.36.020) . . . . .	.78444
Engineering Department Operating Fund . . . . .	.89913
Vanpool Operating Fund. . . . .	.108614
Entrepreneurial Assistance Program Fund . . . . .	.101533
FACE Programs Escrow Fund . . . . .	.100628
Federal Shared Revenue Fund. . . . .	.101742
Firemen's Pension Fund . . . . .	.98956

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REVENUE, FINANCE AND TAXATION

Fund	Ord. No.
General Fund .....	106960
Election Campaign Account (See § 2.04.460).....	106653, 107772, 108130
Refund Account .....	106058, 106295, 106966, 108434
General Donations and Gift Trust Fund .....	88046
Animal Population Control Clinic Account.....	101212
Aquarium Donations Account.....	107599
Arboretum Teahouse Reconstruction Account.....	102180
Burke - Gilman Trail Hiking and Biking Fund Account.....	103434
Cardiopulmonary Resuscitation Training Account (See § 3.16.140) .....	100336
Christopher Columbus Commemorative Sculpture Account .....	105013
Civic Arts Account .....	96845
Arts Newsletter Subaccount .....	103429
Ballard Avenue Project, Miro FitzGerald Mosaic Subaccount .....	107585
Franceska Ballinger Memorial Subaccount .....	94181
Doris Chase Sculpture Subaccount .....	97366
Committee of 33 Subaccount .....	97366
Jan Evans Sculpture Subaccount .....	107437
Greening Sculpture: Gasworks Park Subaccount.....	105638
Michael Heizer Sculpture Subaccount.....	105840
Noguchi Sculpture Subaccount.....	96348
Office of Urban Conservation Subaccount.....	104615
Westlake Square Fountain Subaccount.....	94283
Division on Aging Senior Opportunities Gifts and Donations Account.....	105566
Elderly Activities Account .....	103416
Help the Animals Account .....	108357
Korean and Vietnam Casualties Memorial Account.....	103140, 103597
K-9 Unit Gifts Account.....	106656
Medic I Program Account .....	102770
Mrs. Betty Wile Levy Medical Aid Unit Memorial Account.....	108395
Nutcracker Northwest Account.....	100562
Police Officer of the Year Award Account .....	102977
PONCHO Display Case Account .....	103077
Seattle Arts Festival Account .....	101347
Seattle Center Gifts Account.....	106102
Summer Youth Activities Account .....	97902
Tony Smith Sculpture Account.....	103334
General Fund (See Charter Art. VIII § 15) .....	Charter
General Services Operating Fund.....	99554, 106474
Group Term Life Insurance Fund (See § 4.48.040).....	95466
Health Care Fund (See §§ 4.56.040, 4.60.040).....	83834, 100862

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TABLE OF FUNDS

No.	Fund	Ord. No.
60	Housing and Abatement Revolving Fund (See § 22.202.090)	106319
30	Housing and Community Development Revenue Sharing Fund.	104195
66,	LID Subaccount	107071
34	Stevens Neighborhood Strategy Area Revolving Development Account	108066
46	Urban Renewal Close Out Subaccount	106797
12	Housing Rehabilitation Holding Fund.	103703
99	Human Resources Operating Fund	103014
80	Indian Federal Integrated Grant Project Fund.	102358
34	Industrial Insurance Fund (See § 4.44.060)	101715
36	Library Fund (See Charter Art. XII § 1)	Charter
	Light Fund	96529
	Local Improvement Guaranty Fund (See Chapter 20.08)	62364, 70894, 102560
13	Meat Inspection Fund (See § 10.12.320)	94465, 106058
45	Metro Transit Payroll Fund.	101734
29	Minimum Maintenance Historic Building Revolving Fund (See § 25.28.260)	107323
85	Model City Fund.	96839, 98123, 98770
81	Municipal Arts Fund (See § 20.32.050)	102210, 105389
66	Lloyd Hamrol Sculpture Subaccount	108113
66	Municipal Light and Power Bond Reserve Fund	71917, 92935
37	NDP Expenditures Fund, Program No. Wash. A-2	98876
38	Northwest Leschi Rehabilitation Escrow Fund, Program No. Wash. A-2	98876
40	Officers and Employees Claims Fund	104526, 105637
48	Park Acquisition and Development Fund	97059
15	Aquarium Donations Account	107600
33	Conservatory Donations Account	106963
66	Park and Recreation Fund (See Charter Art. XI § 3)	Charter
16	Personnel Services Operating Fund	102847
57	Pike Place Project Rehabilitation Escrow Fund, Project No. Wash. R-17	104811
97	Project Temporary Loan Repayment Fund, Project No. Wash. R-13	98417
36	Rapid Transit Study Fund.	96366
70	Salary Fund.	107949
95	Seattle Arts Commission Operating Fund (See § 3.56.050)	99982
32	Seattle Center Fund	92479, 94767
77	Seattle Design Commission Operating Fund (See § 3.58.090)	96897
77	Seattle Fire District No. 5 Fund	84046, 106012
72	Seattle Parking Commission Fund (See § 3.62.080)	98247
72	Seattle Sewerage Revenue Bond Reserve Fund	87670
74	Seattle Water Revenue Bond Reserve Fund.	87220, 91667
er	Sewer Fund (See § 21.28.280)	84390, 91208
4	Solid Waste Fund (See § 21.40.130)	90379, 99322, 104455

REVENUE, FINANCE AND TAXATION

Fund	Ord. No.
Streetcar Fund .....	107831
Survey and Planning Fund, Wash. R-5 .....	93291
Survey and Planning Fund, Wash. R-13 .....	93291
Training Operating Fund .....	101694
Treasurer's Clearing Fund .....	103415, 106058
Treasurer's Office Operating Fund .....	91675
Unemployment Insurance Fund (See § 4.40.020) .....	104083, 107063
Urban Renewal Operating Fund .....	91953
Utility Clearing Fund .....	92358
Voucher Fund .....	107948
Water Demand Charge Fund .....	106959
Waterway Operation and Maintenance Fund (See § 16.08.050) .....	87983, 100171

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