

and conclusions of law, affirm, modify, or overrule the suspension or revocation and reinstate the license, and may impose any terms upon the continuance of the license which the Hearing Examiner may seem advisable.

No suspension or revocation of a license issued pursuant to the provisions of this subchapter shall take effect until twenty (20) days after the mailing of the notice thereof by the Department, and if appeal is taken as herein prescribed the suspension or revocation shall be stayed pending final action by the Hearing Examiner. All licenses which are suspended or revoked shall be surrendered to the City on the effective date of such suspension or revocation.

The decision of the Hearing Examiner shall be final. The licensee and/or the Department may seek review of the decision of the Hearing Examiner to the Superior Court of Washington in and for King County within fourteen (14) days from the date of the decision. If review is sought as herein prescribed the suspension or revocation shall be stayed pending final action by the Superior Court.

C. Upon revocation of any license as provided in this subchapter no portion of the license fee shall be returned to the licensee.
(Ord. 118314 § 31, 1996; Ord. 117169 § 42, 1994; Ord. 102623 § 16, 1973; Ord. 72630 § 29, 1943.)

Cases: A city may lawfully impose a business and occupation tax on attorneys; accordingly, failure of attorney to pay the tax justified revocation of his business license and imposition of a fine. *City of Seattle v. Campbell*, 27 Wn. App. 37, 611 P.2d 1347 (1980).

5.44.340 Unlawful acts.

It shall be unlawful for any person liable for fees under this subchapter to fail or refuse to secure the license, or to pay the license fee when due, or for any person to make any false or fraudulent application or any false statement or representation in, or in connection with, any such application, or to aid or abet another in any attempt to evade payment of the license fee, 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 license application, 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 subchapter.

(Ord. 118314 § 32, 1996.)

5.44.350 License not obtained.

License fees shall be collected for the application year only; except in the case of a person found to be engaged in business in the City without a license. Demands for any license fees or penalties due as a result of failure to obtain and maintain a license as provided for under this subchapter may be made by the Director within ten (10) years after the close of the calendar year in which the same accrued.
(Ord. 118314 § 33, 1996.)

Subchapter III Business License Tax

5.44.400 Tax or fee levied.

There is levied upon and shall be collected from and paid as hereinafter provided by every person on account and for the privilege of engaging in business activities within the City, whether his or her office or place of business is within or without the City, a business and occupation tax or fee, sometimes herein referred to 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, as follows:

A. Upon every person engaging within the City in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products extracted for sale or commercial use, multiplied by the rate of two hundred fifteen (215) one-thousandths of one percent (1%). 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 the City in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products manufactured, multiplied by the rate of two hundred fifteen (215) one-thousandths of one percent (1%). 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 the City in the business of making sales at wholesale or retail, except persons taxable under subsection D of this section; as to such persons, the amount of tax with respect to such business of making

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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 two hundred fifteen (215) one-thousandths of one percent (1%).

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

1. 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 two hundred fifteen (215) ten-thousandths of one percent (1%); or

2. Manufacturing wheat into flour; the tax imposed shall be equal to the value of the flour manufactured, multiplied by the rate of two hundred fifteen (215) ten-thousandths of one percent (1%).

E. Upon every person engaging within the City in the business of: (1) printing and publication of newspapers; (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 two hundred fifteen (215) one-thousandths of one percent (1%).

F. Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in subsections A, B, C, D, and E above; 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 four hundred fifteen (415) one-thousandths of one percent (1%). 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 which does not constitute a sale at retail or a sale at wholesale. This subsection also includes, as authorized by RCW Chapter 82.14A, 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.

(Ord. 118314 § 34, 1996: Ord. 117801 § 3, 1995: Ord. 116951 § 2, 1993: Ord. 116461 § 1, 1992: Ord. 115434 § 1, 1990: Ord. 115118 § 1, 1990: Ord. 114702 § 1, 1989: Ord. 114468 §§ 1, 2, 1989: Ord. 114236 § 1, 1988: Ord. 110878 § 2, 1982: Ord. 110261 § 2, 1981: Ord. 109523 § 2, 1980: 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).

A city may lawfully impose a business and occupation tax on attorneys; accordingly, failure of attorney to pay the tax justified revocation of his business license and imposition of a fine. **City of Seattle v. Campbell**, 27 Wn. App. 37, 611 P.2d 1347 (1980).

5.44.410 Persons taxable as to each activity—Principles to reduce multiple taxation.

A. Persons who engage in activities that are within the purview of two (2) or more subsections of Section 5.44.400 shall be taxable under each applicable subsection.

B. Sections 5.44.412 through 5.44.416 allow a series of exclusions and deductions in order to reduce overlapping gross receipts taxation upon taxpayers engaging in activities within two (2) or more subsections of Section 5.44.400 and to follow the precedent of Chapter 3, Laws of 1987, 2nd Ex. Sess. (RCW 82.04.440, as amended). The exclusions and deductions reflect these basic principles:

1. A taxpayer should pay a gross receipts tax no more than once to a state or national government and once to local government on manufacturing and selling the same product;

2. The tax should be assessed and collected at the latest stage in the taxpayer's manufacturing/selling process; gross receipts taxes imposed on retailing/wholesaling activity take priority over taxes on manufacturing/extracting activity; and taxes on manufacturing activity take precedence over taxes on extracting activity.

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Thus, the gross receipts taxes of a jurisdiction with retailing activity (the “market city”) apply to displace the gross receipts taxes of the place of manufacturing or wholesaling;

3. Where wholesaling/retailing activity within subsections C and D1 of Section 5.44.400 occurs in two (2) or more jurisdictions with gross receipts taxation, Section 5.44.422 applies to allocate transactions; where activity within subsections A, B, D2, or E of Section 5.44.400 occurs in a contiguous location within two (2) or more jurisdictions, Section 5.44.420 applies to apportion the taxpayer's gross value of products;

4. No deduction is allowed on account of payment of Washington State taxes; payment of dissimilar taxes or fees; liability for taxes on engaging in service activity; or taxes paid by another taxpayer; and

5. If imposition of the City's tax would place an undue burden upon interstate commerce or violate constitutional requirements, a taxpayer shall be allowed a deduction to the extent necessary to preserve the validity of the City's tax and still apply the City tax to as much of the taxpayer's activities as may be subject to the City's taxing authority (SMC Section 5.44.470 E).

C. The term “eligible gross receipts tax” is used in Sections 5.44.412 through 5.44.418 as follows:

1. The term excludes all taxes imposed by the State of Washington and The City of Seattle;

2. With respect to political subdivisions of the State of Washington, the term means a business and occupation tax imposed and paid to another Washington city that measures the amount of the payment due by gross receipts and that, in accord with subsection 5.44.410 B2, applies to a later stage in the taxpayer's manufacturing/selling process than the taxpayer's business activity in Seattle;

3. With respect to the United States of America, its territories and possessions, or a federally recognized Indian tribe with taxing authority; a state other than Washington and political subdivisions of another state; the District of Columbia; or any foreign country or political subdivision thereof, the term means a tax which meets these criteria:

a. The tax is imposed on the act or privilege of engaging in business activities of making sales at wholesale or retail, manufacturing, or extracting,

b. The amount of the tax is measured by the gross volume of business, in terms of gross receipts or in other terms, and in determining what constitutes gross receipts, any deductions allowed against such gross receipts would not result in an income tax or value added tax,

c. The tax is also not, pursuant to law or custom, separately stated from the sales price, and

d. The tax is not a sales or use tax, franchise fee, royalty or severance tax measured by volume or weight, or concession charge, or payment for the use and enjoyment of property, property right or a privilege.

D. If it is determined by a court of competent jurisdiction, in a judgment not subject to review, that Sections 5.44.412, 5.44.414, and/or 5.44.416 of the Seattle Municipal Code result in an unconstitutional discrimination against interstate or foreign commerce, and that relief is appropriate for any tax reporting periods, it is the intent of the City Council that the credit provisions contained in RCW 82.04.440 (1) through (4), and in accordance with SMC Section 5.44.410 A and C and SMC Section 5.44.418, be applied to such reporting periods and that relief for such periods be limited to the granting of such credits. It is further the intent of the City Council that such credits shall be applicable only under the conditions provided in RCW 82.04.440 (1) through (4), SMC Section 5.44.410 A and C, and SMC Section 5.44.418. The amount of credit shall not exceed the tax liability arising under this chapter in respect to extracting, manufacturing, wholesaling, and retailing. It is the intent of this act to preserve the integrity of Seattle's business and occupation tax system and impose only that financial burden upon the City necessary to establish parity in taxation between taxpayers engaging in business within the City.

(Ord. 118314 § 35, 1996: Ord. 113611 § 1(part), 1987: Ord. 112029 § 2(part), 1984: Ord. 81150 § 1(part), 1952: Ord. 73335 § 2(part), 1944: Ord. 72630 § 4(part), 1943.)

Cases: The multiple activities exemption does not unconstitutionally discriminate against taxpayers who manufacture outside the city but sell inside. *Seattle v. Paschen Contractors*, 111 Wn.2d 54, 758 P.2d 975 (1988).

5.44.412 Deduction for multiple activity sales at wholesale or retail for

**interstate manufacturing/
extracting.**

A person may deduct from the measure of the tax under Section 5.44.400 C (making sales at wholesale or retail), the value of products extracted or manufactured outside Washington if and to the extent the products were subject to an eligible gross receipts tax, as described in Section 5.44.410 C, elsewhere on manufacturing or extracting activity. The deduction for any transaction shall not exceed the amount of the transaction reported as part of the gross proceeds of sales under Section 5.44.400 C.

(Ord. 118314 § 36, 1996; Ord. 113611 § 1(part), 1987; Ord. 112029 § 2(part), 1984; Ord. 81150 § 1(part), 1952; Ord. 73335 § 2(part), 1944; Ord. 72630 § 4(part), 1943.)

5.44.414 Multiple activity exclusion from manufacturing for Seattle-taxed selling and deduction for other taxed activity.

A. Exclusion of Seattle-taxed Selling. A person taxable under subsection C of Section 5.44.400 (making sales at wholesale or retail) on products sold within the City for delivery within the state may exclude from the measure of the tax under subsections A, B and/or D2 of Section 5.44.400 (extracting, manufacturing and/or milling wheat, respectively) those amounts the taxpayer used in measuring the tax payable under subsection C of Section 5.44.400 (retailing/wholesaling).

B. Deduction for Activity Taxed Elsewhere. A person taxable under subsection B (engaging in manufacturing) or D2 (milling wheat) of Section 5.44.400 may deduct from the measure of the tax:

1. The value of ingredients extracted outside Seattle, if and to the extent that the taxpayer used them in manufacturing in Seattle and used their value in measuring an eligible gross receipts tax elsewhere on extracting;

2. The value of products, which were manufactured in part in Seattle, if manufacturing was completed outside Seattle and the value of the Seattle production was used in measuring an eligible gross receipts tax elsewhere on manufacturing; and/or

3. The value of products, which were manufactured in Seattle and sold outside Seattle, if the value of such products was used in measuring an eligible gross receipts tax elsewhere on making sales at wholesale or retail.

C. The amount of any deduction of any transaction shall not exceed the value of the product manufactured in Seattle and reported as subject to tax under subsection B or D2 of Section 5.44.400. (Ord. 118314 § 37, 1996; Ord. 113611 § 1(part), 1987; Ord. 112029 § 2(part), 1984; Ord. 81150 § 1(part), 1952; Ord. 73335 § 2(part), 1944; Ord. 72630 § 4(part), 1943.)

5.44.416 Multiple activity exclusion from extracting for Seattle-taxed selling and manufacturing—Deduction for other taxed activity.

A. Exclusion for Seattle-taxed Activity. A person taxable under subsections A (extracting), B (engaging in manufacturing), or D (milling wheat) of Section 5.44.400 may exclude from the measure of the tax under subsection A (extracting) those amounts the taxpayer used in measuring the tax payable under subsections A or B, respectively, with respect to extracting the ingredients of the products manufactured or sold in Seattle.

B. Deduction for Activity Taxed Elsewhere. A person taxable under subsection 5.44.400 A (engaging in extracting) may deduct from the measure of the tax:

1. The value of products extracted in Seattle and sold outside Seattle and subject to an eligible gross receipts tax elsewhere on making sales at wholesale or retail; and

2. The value of products extracted in Seattle and manufacturing outside Seattle and subjected to an eligible gross receipts tax elsewhere on manufacturing.

C. The amount of any deduction on any transaction shall not exceed the value of the product so extracted in Seattle and reported as subject to tax under subsection 5.44.400 A.

(Ord. 118314 § 38, 1996; Ord. 113611 § 1(part), 1987; Ord. 112029 § 2(part), 1984; Ord. 81150 § 1(part), 1952; Ord. 73335 § 2(part), 1944; Ord. 72630 § 4(part), 1943.)

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5.44.418 Multiple activity exclusion—Determination; documentation.

A. A determination by a court, the State of Washington Department of Revenue, or the Washington Attorney General that an out-of-state or foreign tax qualifies for a credit upon the Washington business and occupation tax under RCW 82.04.440(5) shall establish that the tax is an “eligible gross receipts tax” for purposes of Sections 5.44.412 through 5.44.418. Unless the taxpayer proves otherwise, a determination by a court of the State of Washington that such a tax does not qualify for a credit under RCW 82.04.440(5) shall render the amounts of the transactions ineligible for a deduction under such sections.

B. To make a deduction authorized by Sections 5.44.412 through 5.44.418, inclusive, a taxpayer must be able to document that the amount deducted was used in computing the amount of an eligible gross receipts tax and that the taxpayer paid the tax due thereon. (Ord. 118314 § 39, 1996; Ord. 113611 § 2, 1987.)

5.44.420 Persons in extracting/ manufacturing both within and without the City.

A person who is subject to tax under subsections 5.44.400 A, B, D2, or E and maintains 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 activity within the City, ascertained either: (1) by a fair and equitable formula agreed upon by the Finance Director and the taxpayer after a consideration of the facts; (2) by a segregation of business within and business without the City, shown and supported by accounting records satisfactory to the Director; or, (3) in the absence thereof, 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 without the City in the proportion that the cost of doing business within the City bears to the cost of doing business both within and without the City.

(Ord. 118314 § 40, 1996; Ord. 117169 § 25, 1994; Ord. 110476 §§ 1(part) and 4(part), 1982; Ord. 102623 § 3(part), 1973; Ord. 73023 § 1(part), 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 (2) plants, one (1) 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).

City's business and occupation tax could not be passed on to water customers outside the city by way of water rates imposed on those nonresident customers. **King County Water Dist. No. 75 v. City of Seattle**, 89 Wn.2d 890, 577 P.2d 567 (1978).

5.44.422 Persons in wholesaling/ retailing both within and without the City.

A. No Place of Business Within the City. A person who is subject to tax under subsections C or D1 of Section 5.44.400 and has no office, store or other place of business within the City, shall allocate to the City the gross proceeds of all sales in which the taxpayer's business activity within the City is either a determining element in the transaction or, under the facts and circumstances, a significant factor in making or holding the market here. Mere delivery of goods, without accompanying efforts to maintain an economic market, shall not constitute a determining element in affecting a transaction.

B. Place of Business Within the City. A person who is subject to tax under subsections C or D1 of Section 5.44.400 and has an office, store, or other outlet within the City and maintains no equivalent facility elsewhere in Washington, may deduct the gross proceeds of sales, which (1) are used by another Washington city in levying and collecting a tax or license fee measured by gross receipts and (2) reflect business activity conducted in the taxing city that is either a determining element in a transaction or a significant factor in making or holding the taxpayer's market there. Delivery of goods to a location outside the City, without accompanying efforts to maintain an economic market, shall not constitute a determining element in affecting a transaction.

C. Place of Business Both Within and Without the City. A person who engages in the business of making sales at wholesale or retail using an office, store or other outlet within the City and maintains another equivalent facility elsewhere in Washington, may allocate the gross proceeds of sales to the office, store or outlet in Washington where the predominant selling activity occurs.

D. When comparable selling activity and a complete transaction occurs there, a warehouse, distribution center, or other place for storage of

goods may be considered the equivalent of an office, store, or other outlet.

(Ord. 118314 § 41, 1996; Ord. 113690 § 2, 1987; Ord. 110476 § 2, 1982.)

5.44.424 Allocation principles—Motor carriers of freight for hire.

A. These allocation principles apply to a motor carrier of freight for hire when two (2) or more Washington cities impose a license fee or tax for the act or privilege of engaging in business activities; each city has a basis in local activity for imposing its tax; and the gross receipts of the motor carrier measured by all taxing cities, added together, would exceed the taxpayer's gross receipts:

1. Such a taxpayer, who maintains an office or terminal within the City and also elsewhere, may allocate the taxpayer's gross receipts by individual transactions, to the office or terminal at which the transportation services commence;

2. Such a taxpayer, who maintains an office or terminal within The City of Seattle and solicits orders and engages in business activity in another city that is a significant factor in holding the market there, may allocate the gross receipts of such transactions equally between The City of Seattle and the city providing the local market;

3. Such a taxpayer, who maintains no office or terminal within The City of Seattle but solicits orders and engages in business activity here that is a significant factor in holding its market in Seattle, may allocate the gross receipts of such business activity equally between The City of Seattle and the city where the office or terminal is located;

4. Such a taxpayer, who maintains no office or terminal with The City of Seattle and engages in no solicitation or business activity within the City, shall allocate all gross receipts to the municipality where the office or terminal is located irrespective of the place of pickup or delivery;

5. Gross receipts of such a taxpayer that are not attributable to transportation services, such as investment income, truck repair, and rental of equipment, shall be allocated to the office or terminal conducting such activities; and

6. No allocation of the gross receipts of such a taxpayer shall be made on the account of the use of City streets or highways when no pickup or delivery occurs there.

B. The word “terminal” means a location at which any three (3) of the following four (4) occur: dispatching takes place, from which trucks operate or are serviced, personnel report and receive assignments, and orders are regularly received from the public.

C. Gross receipts of such a taxpayer that are attributable to transportation services shall be reported under Section 5.44.400 F.

(Ord. 118314 § 42, 1996; Ord. 110476 § 3, 1982.)

5.44.426 Allocation principles—Property services.

The following principles apply in measuring the amount of tax or fee due under Section 5.44.400 F from persons who are engaged in the business of providing property management, building maintenance, grounds maintenance, security guarding, and other like continuous maintenance services, which consist almost entirely in labor or services performed on the premises served, itself:

A. If the taxpayer maintains no office or place of business within the City, the tax shall be measured by the gross income of the business derived from services performed on property located within the city limits;

B. If the taxpayer maintains an office or place of business within the City, and none elsewhere, the tax shall be measured by the gross income of the business from services, both within the City and elsewhere; provided, the taxpayer may deduct the amount of gross receipts derived from services performed in another city that has levied and collected a gross receipts tax on those receipts;

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C. If the taxpayer maintains an office or place of business within the City and another office or place of business elsewhere in the State of Washington, the tax shall be measured by that portion of the taxpayer's gross income which reflects services rendered from or through the taxpayer's business location(s) within the City (including all business activity performed on premises within the City, regardless of the location from which such services are dispatched or managed) less the deduction authorized in subsection B of this section for services performed from the taxpayer's office or any place of business in the City on property outside the City. Where such an allocation cannot be made by accounting methods satisfactory to the Finance Director, the taxpayer shall apportion to the City that portion of his or her 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. (Ord. 118314 § 43, 1996; Ord. 117169 § 26, 1994; Ord. 111427 § 1, 1983.)

5.44.428 Persons rendering services both within and without the City.

Unless Section 5.44.424 or Section 5.44.426 applies, a person who is subject to tax under Section 5.44.400 F and engages in business both within and without the City, and maintains 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 a person who has an office or place of business within the City and also elsewhere shall, for the purpose of computing tax liability under this chapter, allocate to the City that portion of the taxpayer's gross income which is derived from services and/or business activity rendered by, generated from or attributable to an office and/or place of business located within the City. Where such allocation cannot be made by accounting methods satisfactory to the Finance Director, the taxpayer shall apportion to the City that portion of his or her total gross income which the cost of doing business within the City bears to the total cost of doing business both within and without the City. (Ord. 118314 § 44, 1996; Ord. 117801 § 4, 1995; Ord. 117169 § 27, 1994; Ord. 112029 § 3, 1984; Ord. 111427 § 2, 1983; Ord. 110476 §§ 1(part) and 4(part), 1982; Ord. 102623 § 3(part), 1973; Ord. 73023 § 1(part), 1943; Ord. 726230 § 6, 1943.)

5.44.430 Ancillary allocation authority of Director.

To prevent or reduce overlapping municipal taxation, the Finance Director in his or her discretion is authorized to:

A. Agree with one (1) or more Washington cities for a joint audit of a taxpayer, and for the reciprocal application of common principles or policies, consistent with Sections 5.44.420 through 5.44.428 for the allocation or apportionment of the gross proceeds of sales, gross receipts, or gross income with respect to any taxpayer or any line of commerce; and

B. As part of an intercity agreement, or in concert with other Washington cities, include or implement reciprocal policies and procedures, consistent with this chapter, to ensure that the City, and the other cities, receive the tax payments each city is due when a taxpayer, who owes tax to the City, has in good faith overpaid municipal taxes measured by the taxpayer's gross proceeds of sales, gross receipts, or gross income, to either city when such overpayments are due to The City of Seattle or the other cities.

(Ord. 118314 § 45, 1996; Ord. 117169 § 28, 1994; Ord. 110476 § 5, 1982.)

5.44.440 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

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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; or

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 the 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 Finance Director shall prescribe uniform and equitable rules for the purpose of ascertaining such values.

(Ord. 118314 § 46, 1996; Ord. 117169 § 24, 1994; 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.¹ **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 5.44.440 B.

5.44.442 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 her 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 Finance Director shall by general regulation provide.

(Ord. 118314 § 47, 1996; Ord. 117169 § 29, 1994; Ord. 102623 § 4, 1973; Ord. 72630 § 8, 1943.)

5.44.444 Persons engaged in telephone business—Resale of network telephone services.

A person engaging in or carrying on a telephone business, as defined in Section 5.48.020 A21, shall be subject to tax under Section 5.44.400 C with respect to income from charges to a telecommunications company as defined in RCW 80.04.010 for network telephone service that the purchaser buys for the purpose of resale, as contemplated by RCW 35.21.715.

(Ord. 118314 § 48, 1996; Ord. 114850 § 2, 1989.)

5.44.450 Exemptions—Designated.

The provisions of this subchapter 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 SMC Chapter 5.48 (Business Utilities Tax) or SMC Section 5.52.030 B1 and 3 (bona fide charitable or non-profit organization gambling activity, bingo, raffle and fundraising activities), as amended;

B. Any person who is an insurer upon which a tax based on gross premiums is paid to the state pursuant to RCW 48.14.020; 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 who sells, delivers, or peddles any fruits, vegetables, berries, eggs, or any farm produce or edibles raised, gathered, produced, or manufactured by such person according to the provisions of RCW 36.71.090 and any sales by farmers of agricultural products at wholesale 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

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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, religious association or religious 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 and exempt under RCW 82.36.440;

K. Liquor as defined in RCW 66.04.010(15) and exempt in RCW 60.08.120;

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

M. Any credit union chartered by the State of Washington or the government of the United States as defined in RCW 31.12 and exempt in RCW 82.04.405.

(Ord. 118698 § 1, 1997; Ord. 118314 § 49, 1996; Ord. 117914 § 2, 1995; Ord. 117801 § 5, 1995; Ord. 117331 § 1, 1994; Ord. 116099 § 1, 1992; Ord. 114515 § 1, 1989; Ord. 105308 § 1, 1976; Ord. 103449 § 1, 1974; Ord. 100946 § 2, 1972; Ord. 94555 § 1, 1966; Ord. 81150 § 2, 1952; Ord. 72630 § 9, 1943.)

5.44.460 Exemptions—Accommodation sales.

This subchapter 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 (14) 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.

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(Ord. 118314 § 50, 1996; Ord. 85026 § 1, 1956; Ord. 72630 § 9.1, 1943.)

5.44.470 Deductions allowed in computing tax or fees.

In computing the tax or fee due under this subchapter, there may be deducted from the measure of tax the following items:

A. Amounts derived by persons, other than those engaged 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, charges made for operation of privately operated kindergartens, charges made for operation of childcare service providers for provision of childcare services for school-age children either before or after regular school hours, and endowment funds. However, if dues are in exchange for any significant amount of goods or services rendered by the recipient thereof to members without any additional charge to the member, or if the dues are graduated upon the amounts of goods or services rendered, the value of such goods or services shall not be considered as a deduction hereunder. 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;

C. The amount of cash 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 5.44.440;

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, including but not limited to the leasehold excise tax, retail sales and use tax, admissions tax and gambling tax;

F. Amounts received from the United States or any instrumentality thereof or from The State of

Washington or any municipal corporation or political subdivision thereof as compensation for, or to support, health or social welfare services rendered by a health or social welfare organization or by a municipal corporation or political subdivision, except deductions are not allowed under this section for amounts that are received under an employee benefit plan. The terms "health or social welfare services" and "health or social welfare organization," have the meanings contained in RCW 82.04.431, enacted as Chapter 196, Laws of 1979, 1st Ex. Sess. Section 6, as now existing or hereafter amended;

G. Amounts excluded by allocation or apportionment pursuant to Sections 5.44.420 through 5.44.430 inclusive; provided, no allocation or apportionment by Sections 5.44.422 through 5.44.428 inclusive shall reduce taxes payable with respect to extracting or manufacturing under - Section 5.44.400 A, B, D2 or E;

H. With respect to any nonprofit tax-exempt organization, as defined in SMC Section 5.40.010 C which has registered and been granted an exemption from the collection of admission tax as provided in SMC Sections 5.40.080 and 5.40.085, revenues from admission charges, when admission taxes do not apply under SMC Chapter 5.40;

I. Amounts, other than gross income from retail sales as defined in Section 5.44.026 3a and Section 5.44.026 3eiv, received by an artistic or cultural organization which represent gross income derived from business conducted by that organization. The term "artistic or cultural organization" means an organization that qualifies, under the definition in RCW 82.04.4328, as now existing or hereafter amended, for deduction or exemption from state taxation;

J. Amounts received by nonprofit tax-exempt organizations in respect to (1) presenting individual and community credit education programs including credit and debt counseling; (2) obtaining creditor cooperation allowing a debtor to repay debt in an orderly manner; (3) establishing and administering negotiated repayment programs for debtors; or (4) providing advice or assistance to a debtor with regard to subsection (1), (2), or (3) of this subsection;

K. Amounts received by nonprofit tax-exempt organizations which represent income derived from the provision of child care resource and referral services; and

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L. Amounts received by nonprofit tax-exempt organizations which represent income derived from the provision of adult day care; where care is provided for persons over the age of eighteen (18) years for periods of less than twenty-four (24) hours.

(Ord. 118822 § 1, 1997; Ord. 118314 § 51, 1996; Ord. 118022 § 1, 1996; Ord. 117914 § 3, 1995; Ord. 117801 § 6, 1995; Ord. 117380 § 1, 1994; Ord. 116951 § 3, 1993; Ord. 116099 § 2, 1992; Ord. 113690 § 3, 1987; Ord. 112029 § 4, 1984; Ord. 111448 § 1, 1983; Ord. 110476 § 6, 1982; Ord. 108707 § 1, 1979; 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 on the part of the seller irrecoverably 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).

5.44.480 Tax or fees not to be passed on.

It is not the intention of this subchapter that the taxes or fees herein levied upon persons engaging in business be construed as taxes or fees upon the purchasers or customer, but that such taxes or fees shall be levied upon, and collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the cost of doing business of such persons.

(Ord. 118314 § 52, 1996.)

**Chapter 5.48
BUSINESS TAX—UTILITIES**

Sections:

- 5.48.010 Exercise of revenue license power.**
- 5.48.020 Definitions.**
- 5.48.030 Occupation utility license required—Display of license.**
- 5.48.040 License tax year.**
- 5.48.050 Occupations subject to tax—Amount.**
- 5.48.055 Solid waste activities subject to tax—Amount.**
- 5.48.060 City of Seattle subject to tax.**
- 5.48.070 Exceptions and deductions.**
- 5.48.072 Anti-pyramiding credit for haulers of CDL Waste.**
- 5.48.080 Application for license.**
- 5.48.090 Monthly payment of tax—Returns.**
- 5.48.095 Mailing of notices.**
- 5.48.100 Commencement of business during tax year.**

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**Seattle Municipal Code
June, 1978 code update file**

**5.48.110 Quitting, selling or transferring of
business.**

Text provided for historic reference only.

**See ordinances creating and amending
sections for complete text, graphics,
and tables and to confirm accuracy of
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(Seattle 3-98)

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5-46.2a

Seattle Municipal Code
June, 1998 code update file BUSINESS TAX—UTILITIES
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5-46.2a

(Seattle 3-98)

Seattle Municipal Code
June, 1998 code update
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See ordinances creating amendments,
sections for complete text, tables and to confirm accuracy of
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5.48.120 Taxpayer to keep books and records—Failure to make return or provide records—Returns confidential.

5.48.135 Computation of time.

5.48.140 Payments—Extensions—Penalties.

5.48.150 Over or under payment of tax.

5.48.160 Remedy for nonpayment of tax—Tax and fees constitute debt.

5.48.170 Appeals and judicial review.

5.48.180 Director to make rules.

5.48.200 Unlawful acts.

5.48.210 Violation—Penalty.

5.48.220 Fees for copies and research.

5.48.260 Allocation of revenues—Cellular telephone service.

5.48.270 Rate change—Cellular telephone service.

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. The provisions of this chapter are subject to periodic statutory or administrative rule changes or judicial interpretations of the ordinances or rules. The responsibility rests with the taxpayer to reconfirm tax computation procedures and remain in compliance with the City code.

(Ord. 118315 § 1, 1996; Ord. 62662 § 1, 1932.)

5.48.020 Definitions.

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

1. “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.

2. “City” means The City of Seattle.

3. “Cellular telephone service” is a two (2) way voice and data telephone/telecommunications system based in whole or substantial part on wireless radio communications and which is not subject to regulation by the Washington Utilities and Transportation Commission (WUTC). This includes cellular mobile service.

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Cellular mobile service includes other wireless radio communications services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology which accomplishes the same purpose as cellular mobile service. Cellular telephone service is included within the definition of “telephone business” for purposes of this chapter and Chapter 5.44.

4. “Competitive telephone service” means the providing by any person of telecommunications equipment or apparatus, directory advertising and lease of telephone street directories, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which may be provided by persons not subject to regulation as telephone companies under Title 80 RCW, and for which a separate charge is made. Transmission of communication through cellular telephones is classified as “telephone business” rather than “competitive telephone service.”

5. “Construction, Demolition and Land-clearing Waste” or “CDL Waste” has the meaning given in SMC Section 21.36.012.

6. “Department” or “Finance Department” means the Executive Services Department of The City of Seattle, or its functional successor.

7. “Director” or “Finance Director” means the Executive Services Director of The City of Seattle, or his or her functional successor.

8. “Garbage” has the meaning given in SMC Section 21.36.014.

9. “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, including the amount of credit losses actually sustained by the taxpayer whose regular books or accounts are kept upon an accrual basis.

10. “Nonprofit tax-exempt organization” means an organization, corporation, or association which is currently recognized by the United States of America as exempt from federal income taxation pursuant to Section 501(c)(1), (3), (4), or (6) of the Internal Revenue Code of 1954, 26 U.S.C. §501, as now existing or hereafter amended.

11. “Person or persons” means any individual, firm, receiver, assignee, trustee in bankruptcy, trust, estate, firm, partnership, joint venture, joint-stock company, corporation, association, society, limited liability corporation, and other association of natural persons, whether acting by themselves or by servants, agents, or employees 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. The term includes all nonprofit tax-exempt organizations.

12. “Recovered material” means a usable or marketable product or commodity that results from recycling or material owned or acquired from another, but excludes use for landfill or incineration.

13. “Recyclable” means material:

a. That is collected for recycling or reuse, such as papers, glass, plastics, used wood, sand, building debris, metals, yardwaste, used oil and tires; and

b. That if not collected for recycling would otherwise be destined for disposal at a landfill or incineration.

14. “Recycled material” means material that is in fact recycled, reused, or reprocessed after collection; and if not recycled, reused or reprocessed, would have been destined for disposal at a landfill or incineration.

15. “Recycling” has the meaning given in SMC Section 21.36.016.

16. “Rubbish” has the meaning given in SMC Section 21.36.016.

17. “Solid waste” has the meaning given in SMC Section 21.36.016.

18. “Successor” means any person who through direct or mesne conveyance, purchases or succeeds 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 or her business. Any person obligated to fulfill the terms of a contract shall be deemed a successor to any contractor

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defaulting in the performance of any contract as to which such person is a surety or guarantor.

19. "Taxpayer" means any person liable for the license fee or tax imposed by this chapter.

20. "Tax year" or "taxable year" shall mean either the calendar year or the taxpayer's fiscal year when permission is obtained from the Finance Director to use a fiscal year in lieu of the calendar year.

21. "Telephone business" means the business of providing access to a local telephone network, local telephone network switching service, toll service, coin telephone services, telephonic, video, data, two-way pagers, or similar communication, or transmission for hire, via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. The term includes cooperative or farmer line telephone companies or associations operating exchanges. "Telephone business" does not include the providing of competitive telephone service, or providing of cable television service, or other providing of broadcast services by radio or television stations.

22. "Within the City" or "in the City" includes but is not limited to all federal areas lying within the boundaries of The City of Seattle.

23. "Yardwaste" has the meaning given in SMC Section 21.36.016.

B. Words in the singular number shall include the plural, and plural shall include the singular. Words of one (a) gender shall include all other genders.

(Ord. 118397 § 84, 1996; Ord. 118315 § 2, 1996; Ord. 117401 § 1, 1994; Ord. 117169 § 44, 1994; Ord. 116955 § 1, 1993; Ord. 115908 § 2, 1991; Ord. 115756 § 1, 1991; Ord. 113690 § 5, 1987; Ord. 112111 § 1, 1985; Ord. 112022 § 1, 1984; Ord. 110274 § 1, 1981; Ord. 102620 § 1, 1973; Ord. 62662 § 2, 1932.)

5.48.030 Occupation utility license required—Display of license.

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 (1) 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 or her 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 or her license so to do.

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

licensee in a conspicuous place in the licensee's principal place of business in the City.

E. 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 or her license, nor shall such other person operate under or display such license.

(Ord. 118315 § 3, 1996: 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 of Seattle, on account of certain business activities engaged in or carried on, annual license fees or occupation taxes in the amount to be determined by the application of rates given against gross income as follows:

A. Upon everyone engaged in or carrying on a telephone business, a fee or tax equal to six percent (6%) of the total gross income from such business in the City; provided, that effective January 1, 1987, the tax liability imposed under this section shall not apply for that portion of gross income derived from charges to another telecommunications company, as defined in RCW 80.04.010, for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services, or for access to, or charges for, interstate services, which shall be taxed under SMC Chapter 5.44.

B. Upon everyone engaged in or carrying on the business of selling, brokering, or furnishing gas for hire, a fee or tax equal to six percent (6%) of the total gross income from such business in the City.

C. Upon everyone, including The City of Seattle, engaged in or carrying on the business of selling or furnishing water for hire, a fee or tax equal to ten percent (10%) of the total gross income from such retail business in the City; provided that as to The City of Seattle 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.

D. Upon everyone, including The City of Seattle, engaged in or carrying on the business of sell-

ing or furnishing electric light and power, a fee or tax equal to six percent (6%) of the total gross income from such business in the City. 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 (5%) of the gross income.

E. 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 six percent (6%) of the total gross income from such business in the City.

F. Upon The City of Seattle in respect to the conduct, maintenance, and operation of its municipal drainage and wastewater system as a public utility a fee or tax equal to ten percent (10%) of the total gross income from the drainage and wastewater charges provided for under City ordinances.

G. As to solid waste, see Section 5.48.055.

H. Upon everyone engaged in the business of operating or conducting a cable television system (CATV), a fee or tax equal to ten percent (10%) of the total gross income from gross subscriber revenues. For purposes of this chapter, "gross subscriber revenues" means and includes those revenues derived from the supplying of subscription service, that is, installation fees, disconnect and reconnect fees, fees for regular cable benefits including the transmission of broadcast signals and access and origination channels and per-program or per-channel charges; provided the tax liability imposed under this section shall not include leased channel revenue, advertising revenues, or any other income derived from the system, which shall be taxed under SMC Chapter 5.44.

(Ord. 118315 § 4, 1996: Ord. 117183 § 1(part), 1994: Ord. 116955 § 2, 1993: Ord. 116460 § 1, 1992: Ord. 116429 § 1, 1992: Ord. 116186 § 1, 1992: Ord. 115954 §§ 1—4, 1991: Ord. 115908 § 1, 1991: Ord. 115756 § 2, 1991: Ord. 115549 § 1, 1991: Ord. 115422 § 1, 1990: Ord. 115386 § 1, 1990: Ord. 115055 § 1, 1990: Ord. 114779 § 1, 1989: Ord. 114371 § 1, 1989: Ord. 114212 § 1, 1988: Ord. 114155 § 9, 1988: Ord. 113714 § 1, 1987: Ord. 113690 § 6, 1987: Ord. 113375 § 1, 1987: Ord. 113172 § 1, 1986: Ord. 112943 § 1,

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1986: Ord. 112552 § 1, 1985: Ord. 112021 § 1, 1984: Ord. 111432 § 1, 1983: Ord. 110843 § 1, 1982: Ord. 110590 § 1, 1982: Ord. 110274 § 2, 1981: Ord. 108886 § 1, 1980: Ord. 108639 § 1, 1979: 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'g 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).

5.48.055 Solid waste activities subject to tax—Amount.

There are levied upon, and shall be collected from everyone including The City of Seattle, on account of the following business activities engaged in or carried on with respect to solid waste, an annual license fee or occupation tax in the amount to be determined by the application of the rates given below:

A. Upon everyone engaged in or carrying on the business of operating a garbage transfer station or upon the business of transferring solid waste generated in Seattle from one (1) mode of transportation to another a fee or tax equal to Eight Dollars and Eighty Cents (\$8.80) per ton of the waste handled for transportation or transported for garbage disposal, landfill, or incineration purposes. To prevent pyramiding of the tax under this subsection when two (2) or more transfers occur in Seattle, the fee or tax is imposed only upon the last transferor and shall not apply to earlier transfers. Waste is transferred from one (1) mode of transportation to another whenever it is moved from a motor vehicle (including, for

example, landgrading or earthmoving equipment), barge, train or other carrier to another motor vehicle (including landgrading or earthmoving equipment), barge, train or other carrier, irrespective of whether or not temporary storage occurs in the process. Solid waste transported for recycling or reuse as recovered material, yard waste destined for composting, items to be scrapped for salvage, and sand and gravel for construction of a public improvement shall not be included in the tonnage by which the fee or tax is measured.

B. Upon everyone engaged in or carrying on the business of operating a garbage transfer station or upon the business of transferring solid waste generated outside of Seattle from one (1) mode of transportation to another a fee or tax equal to Four Dollars and Forty Cents (\$4.40) per ton of the waste handled for transportation or transported for garbage disposal, landfill, or incineration purposes. To prevent pyramiding of the tax under this subsection when two (2) or more transfers occur in Seattle, the fee or tax is imposed only upon the last transferor and shall not apply to earlier transfers. Waste is transferred from one (1) mode of transportation to another whenever it is moved from a motor vehicle (including, for example, landgrading or earthmoving equipment), barge, train or other carrier, irrespective of whether or not temporary storage occurs in the process, provided that waste shall not be considered transferred if it has been placed in a sealed shipping container prior to being moved from one mode of transportation to another in the City. Solid waste transported for recycling or reuse as recovered material, yardwaste destined for composting, items to be scrapped for salvage, and sand and gravel for construction of a public improvement shall not be included in the tonnage by which the fee or tax is measured.

C. Upon everyone, including The City of Seattle, engaged in or carrying on the business of the collection of garbage, rubbish, trash, CDL Waste, and other solid waste, a fee or tax measured by the total of these two components:

1. Ten percent (10%) of the total gross income from the collection of solid waste in Seattle, less income derived from the activities identified in subsection D of this section; and

2. Eleven Dollars and Seventy Cents (\$11.70) per ton of the materials collected in Seattle, excluding the tonnage identified in subsection D.

D. The gross receipts factor identified in subsection C1 above shall exclude income derived from:

1. Collection and/or sale of recycled materials and/or recovered materials, including charges for the lease or rental of containers used in the collection of recycled/recovered materials;

2. Collection and/or sale after processing of yardwaste products, including charges for the lease or rental of containers used in the collection of yardwaste products;

3. Sale of containers used for collection of residential solid waste;

4. Collection and disposal of bulky items and white goods;

5. Grants and contracts from governmental agencies;

6. The City of Seattle for collecting or disposing of residential garbage and other solid waste;

7. The portion of the City's solid waste collection receipts expended for collection of recyclable materials and yardwaste; and

8. Transportation or deposit of sand and gravel for construction or a public improvement.

E. The tonnage factor identified in subsection C2 of this section above shall exclude income derived from recycled materials and/or recovered materials; yardwaste destined for composting; items to be recycled, reused, or scrapped for salvage, and/or sand and gravel for construction of a public improvement.

F. The tax imposed under subsection A of this section applies to transferring in the City of all solid waste generated in the City; the tax imposed under subsection B of this section applies to transferring in the City of all solid waste generated outside of the City; and the tax imposed under subsection C of this section applies only to collecting solid waste in the City. The taxes im-

posed under subsections A and C of this section are cumulative as to solid waste collected and transferred in the City, even though the same tonnage of solid waste may be involved at each successive stage in the disposal process, and the economic burden of the two (2) taxes may aggregate.

G. Income derived from activities described in subsection D of this section above shall be taxed under SMC Chapter 5.44.

(Ord. 118315 § 5, 1996; Ord. 117183 § 1(part), 1994; Ord. 116955 § 2, 1993; Ord. 116460 § 1, 1992; Ord. 116429 § 1, 1992; Ord. 116186 § 1, 1992; Ord. 115954 §§ 1 — 4, 1991; Ord. 115908 § 1, 1991; Ord. 115756 § 2, 1991; Ord. 115549 § 1, 1991; Ord. 115422 § 1, 1990; Ord. 115386 § 1, 1990; Ord. 115055 § 1, 1990; Ord. 114779 § 1, 1989; Ord. 114371 § 1, 1989; Ord. 114212 § 1, 1988; Ord. 114155 § 9, 1988; Ord. 113714 § 1, 1987; Ord. 113690 § 6, 1987; Ord. 113375 § 1, 1987; Ord. 113172 § 1, 1986; Ord. 112943 § 1, 1986; Ord. 112552 § 1, 1985; Ord. 112021 § 1, 1984; Ord. 111432 § 1, 1983; Ord. 110843 § 1, 1982; Ord. 110590 § 1, 1982; Ord. 110274 § 2, 1981; Ord. 108886 § 1, 1980; Ord. 108639 § 1, 1979; 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.)

5.48.060 City of Seattle subject to tax.

Subsections C, D, and F of Section 5.48.050, Section 5.48.055, 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.

(Ord. 118315 § 6, 1996; Ord. 117183 § 2, 1994; Ord. 116460 § 2, 1992; 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, amounts 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

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Charter¹ of the City; and any amounts collected by the taxpayer as an excise tax (trust funds) and remitted to the taxing authority, including but not limited to the leasehold excise tax, retail sales and use tax, refuse collection tax, admission tax, and gambling tax.

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 98776,² on account of engaging in any activity for which he or she 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.

C. A taxpayer engaged in a telephone business shall exclude from the total taxable gross income charges to a telecommunications company, as defined in RCW 80.04.010, for network telephone service, as defined in RCW 82.04.065, that the telecommunication company purchases for the purpose of resale. This excluded revenue shall be recorded and taxed under SMC Chapter 5.44.

D. A deduction from gross income shall be allowed, only to cellular telephone service companies who keep their regular books of account on an accrual basis, for credit losses actually sustained by a taxpayer as a result of cellular telephone service business which shall be phased in as follows: twenty percent (20%) of the credit losses occurring in 1995; forty percent (40%) of the credit losses occurring in 1996; sixty percent (60%) of the credit losses occurring in 1997; and eighty percent (80%) of the credit losses occurring in 1998; and a complete deduction for the credit losses occurring in 1999 and thereafter.

(Ord. 118315 § 7, 1996: Ord. 116951 § 4, 1993: Ord. 116462 § 1, 1992: Ord. 114850 § 1, 1989: Ord. 112943 § 2, 1986: 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).

5.48.072 Anti-pyramiding credit for haulers of CDL Waste.

There shall be allowed to anyone who is engaged in the business of the collection of CDL Waste and subject to tax under Section 5.48.055 C a credit against the tax in the amount of One Dollar and Forty-three Cents (\$1.43) per ton for each ton of CDL Waste collected in the City, delivered to a person engaged in or carrying on the business of transferring CDL Waste from one (1) mode of transportation to another under Section 5.48.055 A (called the "transfer station"), and used by the transfer station in measuring the tax due under Section 5.48.055 A upon the transfer station's activities of transferring CDL Waste from one (1) mode of transportation to another. When the transfer station engages in recycling activities, the tonnage used by the taxpayer in measuring the credit shall be reduced by the proportion of the transfer station's tonnage recycled.

This section is intended to prevent pyramiding of the economic impact of the tax imposed under Section 5.48.055 A on CDL Waste, and is limited in its application to fulfilling that purpose.

(Ord. 118315 § 8, 1996; Ord. 116955 § 3, 1993.)

5.48.080 Application for license.

On or before the first day of each tax year, every taxpayer shall apply to the Finance Director for an occupation license, upon forms provided by the Director. Every such application shall be accompanied by a license fee of Twenty-five Dollars (\$25).

(Ord. 118315 § 9, 1996; Ord. 117169 § 45, 1994; 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 payment of tax—Returns.

A. The taxpayer shall pay the fee or tax monthly during the tax year. Each monthly remittance shall be paid on or before the last day of each month and shall be based on the total gross income of the preceding month. The payment shall be made as provided in subsection B of this section and shall be accompanied by a return, which consists of a form provided by the Finance Director and completed by the taxpayer. The return shall be signed by the taxpayer personally or by a responsible officer or agent of the taxpayer. The individual signing the return shall swear or affirm that the information in the return is full and true.

B. Remittance shall be by bank draft, certified check, cashier's check or money order, payable to The City of Seattle or in cash, in the amount of the tax or fee thereof required by the provisions of this chapter. 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 Finance Director 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.

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. 118315 § 10, 1996; Ord. 117169 § 46, 1994; Ord. 116368 § 162, 1992; Ord. 102620 § 3, 1973; Ord. 98423 § 4, 1969; Ord. 62662 § 11, 1932.)

5.48.095 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 Finance Director, or if no such address is shown, to such address as the Director 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, fee, interest, or any penalties thereon, nor shall such failure operate to extend any time limit set by the provisions of this chapter.

(Ord. 118315 § 11, 1996.)

5.48.100 Commencement of business during tax year.

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 or her returns and the license fee or tax shall be based upon and cover the portion of the tax year during which he or she is engaged in business, subject to the conditions as set forth in Section 5.48.090.

(Ord. 118315 § 12, 1996; Ord. 113690 § 7, 1987; Ord. 98423 § 5, 1969; Ord. 62662 § 12, 1932.)

5.48.110 Quitting, selling or transferring of business.

Whenever any taxpayer quits business, or sells out, exchanges, or otherwise disposes of his or her business or stock of goods, any tax or fee payable hereunder shall become immediately due and payable, and such taxpayer shall, within twenty (20) days thereafter, make a return and pay the tax or fee due; and any person who becomes a successor shall become liable for the full amount of the tax or fee and withhold from the purchase price a sum sufficient to pay any amount due from the taxpayer until such time as the taxpayer shall produce a receipt from the Department showing payment of any amounts due for taxes or fees or a certificate that none is due, and if such tax or fees is not paid by the taxpayer within twenty (20) days from the date of such sale, exchange, or disposal, the successor shall become liable for the payment of the full amount of taxes and fees, and the payment thereof by such successor shall, to the extent thereof, be deemed a payment upon the purchase price, and if such payment is greater in

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amount than the purchase price the amount of the difference shall become a debt due such successor from the taxpayer. No successor shall be liable for any tax or fee due from the person from whom he or she has acquired a business or stock of goods if he or she gave written notice to the Director of such acquisition and no assessment is issued by the Department within six (6) months of such notice against the former operator of the business and a copy thereof mailed to such successor. (Ord. 118315 § 13, 1996; Ord. 62662 § 14, 1932.)

5.48.120 Taxpayer to keep books and records—Failure to make return or provide records—Returns confidential.

A. It shall be the duty of every person liable for the payment of any tax or fee imposed by this chapter to keep and preserve for the period of five (5) years such books and records as will accurately reflect the amount of his or her 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 tax or fee for which he or she may be liable under the provisions of this chapter; and all such books and records, including state and federal tax returns, and also invoices, vendor lists, inventories and stocks of goods, wares and merchandise shall be open for examination at all reasonable times by the Finance Director or his or her 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 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 in advance to the Director the estimated amount thereof including round-trip fare, lodging, meals and incidental expenses, subject to adjustment upon completion of the examination.

C. If any taxpayer fails, neglects or refuses to make his or her return as and when required in this chapter, or refuses to provide or make available records as requested by the Department, the Finance Director is authorized to determine the amount of the tax payable by obtaining facts and information upon which to base his or her estimate of the tax. Such assessments shall be deemed

prima facie correct and shall be the amount of tax owing the City by the taxpayer. The taxpayer shall be notified by mail by the Director of the amount of tax so determined, together with any penalty, interest, and fees due under this chapter; the total of such amounts shall thereupon become immediately due and payable.

D. The applications, statements or returns made to the Director pursuant to this chapter shall not be made public, nor shall they be subject to the inspection of any person except the Mayor, the City Attorney, the Finance Director or his or her authorized agent, members of the City Council or their authorized agents, and the Director of the Strategic Planning Office or his or her authorized agent. Returns are also subject to disclosure when the Public Disclosure Act, RCW 42.17.160, et. seq., requires disclosure.

(Ord. 118912 § 33, 1998; Ord. 118315 § 14, 1996; Ord. 117408 § 23, 1994; Ord. 117169 § 47, 1994; Ord. 116368 § 163, 1992; Ord. 106168 § 1, 1977; Ord. 102620 § 4, 1973; Ord. 62662 § 15, 1932.)

5.48.135 Computation of time.

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

(Ord. 118315 § 16, 1996.)

5.48.140 Payments—Extensions—Penalties.

A. The Finance Director 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 or she may deem proper.

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B. Failure to Make Payment or Return by the Due Date. If any tax return, or payment of any fee or tax, is not received by the Finance Director on or before the last day of the month in which such fee or tax becomes due, there shall be assessed a penalty of five percent (5%) of the amount due with a minimum penalty of Ten Dollars (\$10.00); and if the fee or tax is not received within thirty (30) days from the due date, there shall be assessed a total penalty of ten percent (10%) of the amount due with a minimum penalty of Twenty Dollars (\$20.00); and if the fee or tax is not received within sixty (60) days from the due date, there shall be assessed a total penalty of twenty percent (20%) of the amount due, with a minimum penalty of Forty Dollars (\$40.00).

C. Interest and Penalty on Late Payment. If the Finance Director finds that the tax, fee, or penalty paid is less than the amount due, the Director shall mail the taxpayer a notice showing the balance due and shall add thereto interest on such balance at the rate of ten percent (10%) per year from the date of underpayment until paid, and the taxpayer shall, within twenty (20) days from the notice date, pay the amount shown thereon as the balance due plus such interest. If payment of any tax, fee, penalty, or interest assessed by the Finance Director is not received by the Department within the twenty (20) days, or any extension thereof, the Director shall add a penalty of ten percent (10%) of the amount of the addition tax or assessment found due. No penalty so added shall be less than Twenty Dollars (\$20.00).

D. Citation/Criminal Complaint. If a citation or criminal complaint is issued by the Director for the collection of taxes, assessments, interest, or penalties, there shall be added thereto a penalty of ten percent (10%) of the amount due, but not less than Twenty Dollars (\$20.00).

E. Penalty for Disregarding Specific Written Instructions. If the Director finds that all or any part of a deficiency resulted from the disregard of specific written instructions as to reporting of tax liabilities, the Director shall add a penalty of twenty percent (20%) of the additional tax found due because of the failure to follow the instructions. A taxpayer will be deemed to disregard specific written instruction when the Director has informed the taxpayer in writing of the taxpayer's tax obligations and the taxpayer fails to act in accordance with those instructions unless the Department has not issued final instructions because the matter is under appeal pursuant to this

Chapter. The Director shall not assess the penalty under this section upon any taxpayer who, in the Director's opinion, has made a good faith effort to comply with the specific written instructions provided by the Department to that taxpayer. Specific written instructions may be given as a part of a tax assessment, audit, determination, letter of instruction or closing agreement, provided that such specific written instructions shall apply only to the taxpayer addressed or referenced on such documents. Any specific written instructions by the Department shall be clearly identified as such and shall inform the taxpayer that failure to follow the instructions may subject the taxpayer to the penalties imposed by this subsection. No penalty so added shall be less than Twenty Dollars (\$20.00).

(Ord. 118315 § 17, 1996; Ord. 117169 § 49, 1994; Ord. 116368 § 164, 1992; Ord. 111431 § 1, 1983; Ord. 104802 § 2, 1975; Ord. 62662 § 16.A, 1932.)

5.48.150 Over or under payment of tax.

A. If the Finance Director upon investigation or upon reviewing returns finds that the total tax paid is more than the amount due within the preceding three (3) year period, he or she shall allow the overpayment as a credit upon future taxes due and/or certify the amount overpaid for refund by a warrant upon the General Fund.

B. Assessments or demands for any additional tax, fee, penalty or interest shall be made by the Director within four (4) years after the close of the calendar year in which the same accrued with following exceptions:

1. Against a taxpayer who is not currently licensed or has not filed a tax return as required by this chapter; assessments or demands for any additional tax, fee, penalty or interest due, as provided for in Section 5.48.140, as a result of failure to obtain and maintain a license as provided for under Section 5.48.080 and file a tax return as required by this chapter may be made by the Director within ten (10) years after the close of the calendar year in which the same accrued;

2. Against a taxpayer who has committed a fraud or misrepresented a material fact; or

3. The taxpayer has waived this limitation in writing.

C. The Finance Director may enter into an agreement in writing with any person relating to the liability of such person in respect of any tax, fee, or assessment imposed by this chapter for any taxable period or periods.

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(Ord. 118315 § 18, 1996; Ord. 117169 § 50, 1994; Ord. 116368 § 165, 1992; Ord. 114847 § 1, 1989; Ord. 111428 § 1, 1983; Ord. 102620 § 6, 1973; Ord. 62662 § 17, 1932.)

5.48.160 Remedy for nonpayment of tax—Tax and fees constitute debt.

Any tax or fee 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.

Any tax or fee due and unpaid under this chapter, and all interest and penalties thereon, shall constitute a debt to The City of Seattle and may be collected by court proceedings in the same manner as any other debt in like amount which remedy shall be in addition to all other existing remedies.

(Ord. 118315 § 19, 1996; Ord. 117169 § 51, 1994; Ord. 102620 § 7, 1973; Ord. 98423 § 6, 1969; Ord. 62662 § 18, 1932.)

5.48.170 Appeals and judicial review.

A. Any taxpayer aggrieved by the amount of the tax, fee, interest, or penalty assessed by the Finance Director under the provisions of this chapter, may file a written appeal (“petition”) with the Office of the Hearing Examiner within twenty (20) days from the date that the assessment notice was mailed to the taxpayer, or within the period covered by any extension of said due date granted in writing by the Finance Director. The Finance Director may grant an extension of the appeal period only if the taxpayer, within the twenty (20) day period to appeal, makes written application showing good cause why an extension is necessary. A copy of the petition must be provided by the taxpayer to the Finance Director and the City Attorney on or before the date the petition is filed with the Hearing Examiner. If no such petition is filed with the Hearing Examiner and provided to the Finance Director and City Attorney within the twenty (20) day period, the assessment covered by the notice shall become final and no refund request may be made for the audit period covered in this assessment.

B. The petition shall set forth the reasons why the assessment should be reversed or modified and the amount of the tax, fee, interest, or penalties which the taxpayer believes to be due. The Hearing Examiner shall fix the time and place of

the hearing and notify the taxpayer thereof by mail. The hearing shall be conducted in accordance with the procedures for hearing contested cases in the Seattle Administrative Code (SMC Chapter 3.02; Ordinance 102228).

C. The Finance Director's assessment appealed from shall be regarded as prima facie correct. The Hearing Examiner may, by subpoena, require the attendance of any person at the hearing, and may also require him or her to produce pertinent books and records. Any person served with such a 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 Hearing Examiner as to any matter required of him or her pertinent to the appeal; and it shall be unlawful for him or her to fail or refuse to do so.

D. The Hearing Examiner may reverse or modify an action of the Director and ascertain the correct amount of the tax, fee, interest, or penalty due if the Director's assessment violates the terms of this chapter or is contrary to law. The decision of the Hearing Examiner shall be final. The taxpayer and/or the Department of Finance may seek review of the decision of the Hearing Examiner to the Superior Court of Washington in and for King County within fourteen (14) days from the date of the decision.

(Ord. 118315 § 20, 1996; Ord. 117169 § 52, 1994; Ord. 114595 § 1, 1989; Ord. 102620 § 8, 1973; Ord. 62662 § 19, 1932.)

5.48.180 Director to make rules.

The Finance Director shall have the power, and it shall be his or her 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.

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(Ord. 117169 § 53, 1994; Ord. 102620 § 9, 1973; Ord. 62662 § 20, 1932.)

5.48.200 Unlawful acts.

It shall be unlawful for any person liable for the tax or fee under this chapter to fail or refuse to make application or secure a license or to pay the fee or tax 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. Remedial action by the City may include fines as provided for in Section 5.48.210.

(Ord. 118315 § 22, 1996; Ord. 62662 § 22, 1932.)

5.48.210 Violation—Penalty.

A. A person who violates or fails to comply with any provision of this chapter or any rule, regulation or order of the Director is guilty of a misdemeanor subject to the provisions of Chapters 12A.02 and 12A.04 of the Seattle Municipal Code, except that absolute liability shall be imposed for such a violation or failure to comply and none of the mental states described in Section 12A.04.030 of the Seattle Municipal Code need be proved. A corporation which violates or fails to comply with any provisions of this chapter or any rule, regulation or order of the Director shall be punished by a fine of not more than One Thousand Dollars (\$1,000.00). Each day of violation or failure to comply is a separate offense.

B. Prosecution for a criminal offense shall not be commenced more than four (4) years after the violation or failure to comply.

(Ord. 118315 § 23, 1996; Ord. 117169 § 54, 1994; Ord. 102620 § 11, 1973; Ord. 62662 § 24, 1932.)

5.48.220 Fees for copies and research.

The Finance Director may charge a fee:

A. For making copies of books and records as authorized by Ordinance 100501,¹ as now existing or hereafter amended or supplemented;

B. For compiling statistics and conducting special research as authorized in a fee schedule approved by the City Council by resolution from time-to-time to reimburse the City's cost therefor; and

C. For the bulk sale of City forms and printed brochures and other publications in an amount equal to the cost of preparing, reproducing and distributing them as determined by the Director by rule adopted pursuant to the Administrative Code, Sections 3.02.030 through 3.02.070. (Ord. 118315 § 24, 1996.)

¹Editor's Note: Ord. 100501 has been repealed by Ord. 108657.

5.48.260 Allocation of revenues—Cellular telephone service.

A. Service Address. In determining the total gross income from telephone business in the City for purposes of Section 5.48.050 A, there shall be included all gross income from cellular telephone service provided to customers whose principal service address is in the City, regardless of the location of the facilities used to provide the service. The customer's "principal service address" is, with respect to each telephone: (a) the customer's plant, store, office, or other facility where the telephone is normally assigned for use in conjunction with the customer's business activity; or (b) the customer's place of residence if the telephone is for personal use.

B. There is a rebuttable presumption that the principal service address shown on the cellular telephone service company's records is accurate. If the cellular telephone service company knows or should have known that a customer's principal service address for a telephone is within the City then the gross revenue from cellular telephone service provided to that customer with respect to that telephone is to be included in the company's gross income.

C. Non-Washington Roaming Phones. In determining the total gross income from telephone business in the City for purposes of Section 5.48.050 A, there shall be included all gross income from cellular telephone services rendered to customers using non-Washington telephones (which means cellular telephones with principal service addresses outside the state) through the use of switching facilities located in the City. In the event technological advances result in a cellular telephone service company's accounting

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system accurately assigning revenue from such a customer's call to the location of the originating cell site rather than to the location of the main cellular switching office that switched the call, and the company has elected to report, to all taxing jurisdictions throughout Washington State, its revenues from non-Washington telephones according to the location of the originating cell site, then that company's gross revenues for purposes of Section 5.48.050 A shall, instead of the preceding sentence, include all gross income from services rendered to customers using non-Washington telephones derived from calls originating in cell sites within the City.

D. Dispute Resolution. If there is a dispute between or among the City and another city or cities as to the principal service address for a customer's cellular telephone service, or any other matter concerning allocation of revenues, and the dispute is not resolved by negotiation among the parties, then the dispute shall be resolved by the City and the other city or cities through the Association of Washington Cities. Once taxes on the disputed revenues have been paid to one (1) of the contesting cities, the cellular telephone service company shall have no further liability with respect to additional taxes, penalties, or interest on the disputed revenues so long as it promptly changes its billing records for future revenues to comport with the settlement facilitated by the Association of Washington Cities.
(Ord. 117401 § 2 (part), 1994.)

5.48.270 Rate change—Cellular telephone service.

No change in the rate of tax upon persons engaging in providing cellular telephone service shall apply to business activities occurring before the effective date of the change and, except for a change in the tax rate authorized by RCW 35.21.870, no change in the rate of the tax may take effect sooner than sixty (60) days following the enactment of the ordinance establishing the change.
(Ord. 117401 § 2 (part) 1994.)

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**Chapter 5.52
GAMBLING TAX**

Sections:

- 5.52.010 Definitions.**
- 5.52.020 Filing of intent to conduct activity.**
- 5.52.030 Tax levied.**
- 5.52.040 Payments—Extensions—Penalties.**
- 5.52.050 Payments due under this chapter.**
- 5.52.060 Over or under payment of tax.**
- 5.52.070 Keeping books and records—Inspection—Failure to make return or provide records.**
- 5.52.080 Unlawful actions.**
- 5.52.090 Appeals and judicial review.**
- 5.52.100 Mailing of notices.**
- 5.52.110 Computation of time.**
- 5.52.120 Collection of delinquent tax—Tax constitute debt.**
- 5.52.130 Violation—Penalty.**
- 5.52.140 Fees for copies and research.**
- 5.52.150 Application to City's activities.**
- 5.52.160 Rule-making authority.**

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 Definitions.

Words and terms used in this chapter shall have the same meaning as each has under RCW Chapter 9.46, as now existing or hereafter amended, unless otherwise specifically provided in this chapter, or when the context in which they are used in this chapter clearly indicates that they be given some other meaning.

A. "Bona fide charitable organization" means an organization that meets all of the requirements of RCW 9.46.0209, as now existing or hereafter amended, and is organized and operated primarily to provide charitable services as defined by WAC 230-02-160.

B. “Bona fide nonprofit organization” means an organization that meets all of the requirements of RCW 9.46.0209.

C. “Department” or “Finance Department” means the Executive Services Department of The City of Seattle, or its functional successor.

D. “Director” or “Finance Director” means the Executive Services Director of The City of Seattle, or his or her functional successor.

E. “Gross gambling receipts” means the monetary value that would be due to any operator of a gambling activity for any chance taken, other participation fees, any rental or lease fees for amusement games received by a commercial amusement game operation, as evidenced by required records. The value shall be stated in U.S. currency, before any deductions for prizes or any other expenses. In the absence of records, gross gambling receipts shall be the maximum that would be due to an operator from that particular activity if operated at maximum capacity.

F. “Net gambling receipts” means all gross gambling receipts from any gambling activity, less the monetary value or, in the case of merchandise, the actual cost, of any prizes that were awarded.

G. “Person” means any individual, receiver, assignee, trustee in bankruptcy, trust, estate, firm, partnership(s), joint venture, joint-stock company, corporation, association, society, limited liability corporation, 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 or fee may be levied upon or collected therefrom under the provisions of this chapter. The term includes all bona fide charitable organizations and bona fide nonprofit organizations.

H. “Within the City” or “in the City” includes but is not limited to all federal areas lying within the boundaries of The City of Seattle. (Ord. 118313 § 1, 1996.)

5.52.020 Filing of intent to conduct activity.

Any person, corporation, association, organization or bona fide charitable or nonprofit organization intending to conduct or operation in the City any such gambling activity or fundraising event as authorized by or under RCW Chapter 9.46, as now existing and hereafter amended, and subject to the tax imposed by Section 5.52.030 shall, prior to the commencement of any such activity, file with the Director a sworn declaration

of intent to conduct or operate such activity. A copy of the state license issued in accordance with RCW Chapter 9.46, if such is required, shall accompany such declaration.

(Ord. 118313 § 2, 1996.)

5.52.030 Tax levied.¹

A. In accordance with RCW Chapter 9.46, as amended, a tax or fee is levied upon all persons, corporations, associations, or organizations conducting or operating within the City any of the following gambling activities authorized by RCW 9.46.010, as amended, and RCW 9.46.033, as follows:

1. For the conduct of amusement games, a tax equal to two (2) percent of the net gambling receipts; and

2. For punch boards and pull-tabs, as defined in RCW 9.46.0273, except for those punch boards and pull-tabs taxed under subsection B2 of this section below, a tax equal to five (5) percent of the gross gambling receipts.

B. In accordance with RCW Chapter 9.46, as amended, a tax or fee is levied on all bona fide charitable or nonprofit organizations, as defined in RCW 9.46.0209, conducting or operating in the City any of the following gambling activities, as follows:

1. Upon and for the conduct of bingo games, as defined in RCW 9.46.0205, and raffles, as defined in RCW 9.46.0277, a tax equal to ten (10) percent of the net gambling receipts; and

2. For punch boards and pull-tabs, as defined in RCW 9.46.0273, a tax equal to ten (10) percent of the net gambling receipts; and

3. Upon and for the conduct of a fund-raising event, as defined in RCW 9.46.0233, a tax equal to ten (10) percent of the net gambling receipts.

C. Except, no tax shall be imposed:

1. On bingo or amusement games when such activity, or any combination thereof, is conducted by a bona fide charitable or nonprofit organization as defined in RCW 9.46.0209, when such organization has no paid operating or management personnel and when net gambling receipts from bingo or amusement games or any combination thereof, do not exceed Five Thousand Dollars (\$5,000) per year;

2. On the first Ten Thousand Dollars (\$10,000) of net gambling receipts from raffles

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conducted by any bona fide charitable or nonprofit organization as defined in this chapter;

3. On the conduct of amusement games at the Seattle Center pursuant to a concession agreement with the City.

(Ord. 118665 § 1, 1997; Ord. 118313 § 3, 1996; Ord. 115916 § 2, 1991; 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. **Drum & Bugle Corps. v. Seattle**, 14 Wn. App. 845, 545 P.2d 1235 (1976).

1. Editor's Note: No tax incurred prior to the effective date of Section 1 of Ordinance 118665 and no penalty related to that tax shall be affected by the amendment to Section 5.52.030 of the Seattle Municipal Code, and collection of such taxes and penalties may continue in all respects as if that section had not been amended. The effective date of Ordinance 118665 is August 25, 1997.

5.52.040 Payments—Extensions—Penalties.

A. Any person, corporation, association, organization, or bona fide charitable or nonprofit organization conducting or operating in the City any such gambling activity or fundraising event and subject to the tax imposed by Section 5.52.030 shall on or before the last day of the month next succeeding the end of the monthly or quarterly period in which the tax accrued, file with the Director a sworn return on a form to be provided and prescribed by the Director, and containing such information as the Director shall prescribe for the purpose of ascertaining the tax due for the preceding monthly or 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 beginning with the first day of the first month and including the last day of the third month within each such period. The term "monthly" shall mean the period beginning with the first day of each calendar month and ends on the last day of that month.

C. The tax imposed by Section 5.52.030 A2 for punchboards and pulltabs shall be due and payable in monthly installments; all other taxes shall be due and payable for each quarterly period. Remittance of the tax shall accompany each return and be made on or before the last day of the month next succeeding the period in which the tax accrued.

D. The Director, for good cause shown, may extend the time for filing any return as required under this chapter and may grant such reasonable additional time within which to file such returns as he or she may deem proper.

E. Failure to Make Payment or Return by the Due Date. If any tax return, or payment of any tax, is not received by the Director on or before the last day of the month following the end of the monthly or quarterly period in which the tax accrued (the due date), pursuant to subsection A or C of this section above, there shall be assessed a penalty of ten (10) percent of the amount due with a minimum penalty of Ten Dollars (\$10); and if the return and/or tax is not received within thirty (30) days from the due date, there shall be assessed a total penalty of fifteen (15) percent of the amount due with a minimum penalty of Twenty Dollars (\$20); and if the return and/or tax is not received within sixty (60) days from the due date, there shall be assessed a total penalty of twenty (20) percent of the amount due, with a minimum penalty of Forty Dollars (\$40).

F. Interest and Penalty on Late Payment. If the Finance Director finds that the tax, fee, or penalty paid is less than the amount due, he or she shall mail the taxpayer a statement showing the balance due and shall add thereto interest on such balance at the rate of ten (10) percent per year from the date of underpayment until paid and the taxpayer shall within twenty (20) days from the date of mailing pay the amount shown thereon. If payment of any tax, fee, interest, or penalty assessed by the Director is not received by the Director by the due date specified in the notice, or any extension thereof, the Director shall add a penalty of ten (10) percent of the amount of the additional tax or assessment. No penalty so added shall be less than Twenty Dollars (\$20).

G. Citation/Criminal Complaint. If a citation or criminal complaint is issued by the Director for the collection of any assessment, taxes, interest, and penalties, there shall be added thereto a penalty of ten (10) percent of the amount due, but not less than Twenty Dollars (\$20).

H. Penalty for Disregarding Specific Written Instructions. If the Director finds that all or any part of a deficiency resulted from the disregard of specific written instructions as to reporting of tax liabilities, the Director shall add a penalty of twenty (20) percent of the additional tax found due because of the failure to follow the instruc-

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GAMBLING TAX 5.52.030

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tions. A taxpayer will be deemed to disregard specific written instructions when the Director has informed the taxpayer in writing of the taxpayer's tax obligations and the taxpayer fails to act in accordance with those instructions un-

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less the Department has not issued final instructions because the matter is under appeal pursuant to this Chapter. The Director shall not assess the penalty under this section upon any taxpayer who, in the Director's opinion, has made a good faith effort to comply with the specific written instructions provided by the Department to that taxpayer. Specific written instructions may be given as a part of a tax assessment, audit, determination, letter of instruction or closing agreement, provided that such specific written instructions shall apply only to the taxpayer addressed or referenced on such documents. Any specific written instructions by the Department shall be clearly identified as such and shall inform the taxpayer that failure to follow the instructions may subject the taxpayer to the penalties imposed by this subsection. No penalty so added shall be less than Twenty Dollars (\$20.00).

(Ord. 118313 § 4, 1996; Ord. 117169 § 55, 1994; Ord. 115916 § 3, 1991; Ord. 107278 § 2, 1978; Ord. 103598 § 2, 1974; Ord. 102835 § 9(part), 1973; Ord. 102459 § 2, 1973.)

5.52.050 Payments due under this chapter.

The tax or fee payable under this chapter shall be paid to the Finance Director 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 Finance Director 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. Whenever payment of any tax or fee imposed by this chapter is made by check which is returned for lack of sufficient funds or for any other reason, the return shall be filed upon payment of the original amount due plus an additional amount of Twenty Dollars (\$20.00) by certified check, money order, or in cash; penalties as provided by Section 5.52.040 may apply.

The Finance Director is authorized, but not required to mail to taxpayers forms for returns, but failure of the taxpayer to receive any such forms shall not excuse the taxpayer from filing returns and making payment of the tax or fee, when and as due under this chapter.

(Ord. 118313 § 5, 1996.)

5.52.060 Over or under payment of tax.

A. In the event of overpayment of any tax or fee due under this chapter, the Finance Director or his or her authorized agent, upon written application by the taxpayer for a refund or credit within two (2) years after the due date of such overpayment, may offset the amount of such overpayment against the taxpayer's existing tax liability under this chapter and certify for refund any balance to such taxpayer or credit such balance to taxes which may accrue under this chapter. To be eligible therefor, refund of overpayments as authorized in this section shall be approved by the Finance Director or his or her authorized agent. No refund or credit may be allowed with respect to any payments made to the City more than two (2) years before the date of such application; provided, that where a taxpayer under audit or investigation by the City makes application for a refund or credit of an overpayment made more than two (2) years before the date of such application, the amount of credit otherwise allowable for the portion of the assessment period preceding the two (2) year period may be offset against any existing tax deficiency which accrued under this chapter in the same calendar year as the overpayment.

B. No demand for any additional tax, fee, interest, or penalty shall be made by the Finance Director more than four (4) 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; assessments or demands for any additional tax, fee, interest or penalty due as a result of failure to make a declaration with the City as required under Section 5.52.020 and file a tax return as required by this chapter may be made by the Director within ten (10) years after the close of the calendar year in which the same accrued; or

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.

C. The Director may enter into an agreement in writing with any person relating to the liability of such person in respect of any tax, fee, or assessment imposed by this chapter for any taxable period or periods.

(Ord. 118313 § 6, 1996; Ord. 117169 § 56, 1994; Ord. 116368 § 166, 1992; Ord. 102835 § 9(part), 1973; Ord. 102459 § 3, 1973.)

5.52.070 Keeping books and records—Inspection—Failure to make return or provide records.

A. It shall be the duty of every person, corporation, association, organization or bona fide charitable or bona fide nonprofit organization liable for the payment of any tax imposed by this chapter to keep and preserve for the period of five (5) years such books and records as will accurately reflect the amount of gross gambling receipts and the cost of prizes disbursed for any gambling activity or fund-raising event enumerated in Section 5.52.030 and from which can be determined the amount of tax for which such person, corporation, association, organization or bona fide charitable or bona fide nonprofit organization may be liable under the provisions of this chapter. 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 Finance Director or his or her duly authorized agent.

B. If any taxpayer fails, neglects or refuses to make his or her return as and when required in this chapter, or refuses to provide or make available records as requested by the Department, the Director is authorized to determine the amount of the tax payable by obtaining facts and information upon which to base an estimate of the tax. Such assessment shall be deemed prima facie correct and shall be the amount of tax owing the City by the taxpayer. The taxpayer shall be notified by mail by the Director of the amount of tax so determined, together with any penalty, interest, and fees due under this chapter; the total of such amounts shall thereupon become immediately due and payable.

(Ord. 118313 § 7, 1996; Ord. 117169 § 57, 1994; Ord. 107278 § 3, 1978; Ord. 103598 § 3, 1974; Ord. 103016 § 2, 1974; Ord. 102835 § 9(part), 1973; Ord. 102459 § 4, 1973.)

5.52.080 Unlawful actions.

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, or to aid or abet another in any attempt to evade payment of the 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. Remedial action by the City may include fines and imprisonment as provided for in Section 5.52.130.

(Ord. 118313 § 8, 1996; Ord. 102835 § 9(part), 1973; Ord. 102459 § 5, 1973.)

5.52.090 Appeals and judicial review.

A. Any person aggrieved by the amount of the tax, fee, penalty, or interest assessed by the Director under the provisions of this chapter, may file a written appeal (“petition”) with the Office of the Hearing Examiner within twenty (20) days from the date that the assessment notice was mailed to the taxpayer, or within the period covered by any extension of said due date granted in writing by the Finance Director. The Director may grant an extension of the appeal period only if the taxpayer, within the twenty (20) day period to appeal, makes written application showing good cause why an extension is necessary. A copy of the petition must be provided by the taxpayer to the Finance Director and the City Attorney on or before the date the petition is filed with the Hearing Examiner. If no such petition is filed with the Hearing Examiner and provided to the Finance Director and City Attorney within the twenty (20) day period, the assessment covered by the notice shall become final and no refund request may be made for the audit period covered in this assessment.

B. The petition shall set forth the reasons why the assessment should be reversed or modified and the amount of the tax, fee, interest, or penalties which the taxpayer believes to be due. The Hearing Examiner shall fix the time and place of the hearing and notify the taxpayer thereof by mail. The hearing shall be conducted in accordance with the procedures for hearing contested cases in the Seattle Administrative Code (Chapter 3.02 of the Seattle Municipal Code).

C. The Director's assessment appealed from shall be regarded as prima facie correct. The Hearing Examiner may, by subpoena, require the attendance of any person at the hearing, and may also require him or her to produce pertinent books and records. Any person served with such a 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 Hearing Examiner as to

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any matter required of him or her pertinent to the appeal; and it shall be unlawful for him or her to fail or refuse to do so.

D. The Hearing Examiner may reverse or modify an action of the Director and ascertain the correct amount of the tax, fee, interest or penalty due if the Director's assessment violates the terms of this chapter or is contrary to law. The decision of the Hearing Examiner shall be final. The taxpayer and/or the Department of Finance may seek review of the decision of the Hearing Examiner to the Superior Court of Washington in and for King County within fourteen (14) days from the date of the decision.
(Ord. 118313 § 9, 1996.)

5.52.100 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, or if no such address is shown, to such address as the Director 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, fee, interest, or penalties thereon, nor shall such failure operate to extend any time limit set by the provisions of this chapter.
(Ord. 118313 § 10, 1996.)

5.52.110 Computation of time.

Except as otherwise specifically provided by any other 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 a Saturday, Sunday, or City legal holiday, in which case the last day of such period shall be the next succeeding day which is neither a Saturday, Sunday, or City legal holiday.
(Ord. 118313 § 11, 1996.)

5.52.120 Collection of delinquent tax—Tax constitute debt.

Any fee or tax due and unpaid and delinquent under this chapter, and all penalties thereon shall be a lien against all assets, real or personal, owned by the taxpayer. Such lien may be collected by civil action, including, but not limited to, the perfecting and filing of such lien with a court of competent jurisdiction. The exercise of such civil

action shall be in addition to any and all other existing remedies.

Any tax or fee due and unpaid under this chapter, and all interest and penalties thereon, shall constitute a debt to The City of Seattle and may be collected by court proceedings in the same manner as any other debt in like amount which remedy shall be in addition to all other existing remedies.
(Ord. 118313 § 12, 1996.)

5.52.130 Violation—Penalty.

A. A person who violates or fails to comply with any provision of this chapter or any rule, regulation or order of the Director is guilty of a misdemeanor subject to the provisions of Chapters 12A.02 and 12A.04 of the Seattle Municipal Code, except that absolute liability shall be imposed for such a violation or failure to comply and none of the mental states described in Section 12A.04.030 of the Seattle Municipal Code need be proved. A corporation which violates or fails to comply with any provision of this chapter or any rule, regulation or order of the Director shall be punished by a fine of not more than One Thousand Dollars (\$1,000.00). Each day of violation or failure to comply is a separate offense.

B. Prosecution for a criminal offense shall not be commenced more than four (4) years after the violation or failure to comply.
(Ord. 118313 § 13, 1996.)

5.52.140 Fees for copies and research.

The Director may charge a fee:

A. For making copies of books and records as authorized by Ordinance 100501,¹ as now existing or hereafter amended or supplemented;

B. For compiling statistics and conducting special research as authorized in a fee schedule approved by the City Council by resolution from time-to-time to reimburse the City's cost therefor; and

C. For the bulk sale of City forms and printed brochures and other publications in an amount equal to the cost of preparing, reproducing and distributing them as determined by the Director by rule adopted pursuant to the Administrative Code, Sections 3.02.030 through 3.02.070.
(Ord. 118313 § 14, 1996.)

5.52.140 REVENUE, FINANCE AND TAXATION

1. Editor's Note: Ord. 100501 has been repealed by Ord. 108657.

5.52.150 Application to City's activities.

Whenever the City through any department, division, or employee association engages in any activity which if engaged in by any person would under this chapter require the payment of tax by such person, the City department, division, or employee association engaging in such activity shall file a declaration and make returns and from the funds of such department, division, or employee association pay the taxes imposed by this chapter.

(Ord. 118313 § 15, 1996.)

5.52.160 Rule-making authority.

The Finance Director shall have the power and it shall be his or her duty, from time to time, to adopt, publish and enforce rules and regulations not inconsistent with this chapter, including the adoption by reference of provisions of state law or the Washington Administrative Code relating to gambling; and it shall be unlawful to violate or fail to comply with, any such rule or regulation.

(Ord. 118313 § 16, 1996; Ord. 117169 § 58, 1994; Ord. 115916 § 4, 1991.)

**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 or the application of the provision to other persons or circumstances is not affected.

(Ord. 105450 § 6, 1976.)

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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 (4%) 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 (80%) of the tax produced by the above rate,

With respect to taxes due in calendar year 1977, a credit equal to sixty percent (60%) of the tax produced by the above rate,

With respect to taxes due in calendar year 1978, a credit equal to forty percent (40%) of the tax produced by the above rate,

With respect to taxes due in calendar year 1979, a credit equal to twenty percent (20%) 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 (33%) of the tax produced by the above rate.

(Ord. 105450 § 2, 1976.)

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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 (12%) of taxable rent. The administration and collection of the tax shall be

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5.56.130 REVENUE, FINANCE AND TAXATION

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 (12%) 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 Finance Director 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. 116368 § 167, 1992: 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 Finance Director 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. 116368 § 168, 1992: Ord. 105679 § 4, 1976.)

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**Chapter 5.60
SALES AND USE TAX**

Sections:

5.60.010 Imposition of sales and use tax.

5.60.020 Rate of tax imposed.

5.60.030 Administration and collection of tax.

5.60.040 Consent to inspection of records.

5.60.050 Authorizing execution of contract for administration.

5.60.060 Special initiative.

5.60.070 Penalties.

Section 8. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance or the application of the provisions to other persons or circumstances is not affected.
(Ord. 110877 § 8, 1982.)

5.60.010 Imposition of sales and use tax.

There is hereby imposed a sales and use tax, as the case may be, as authorized by RCW 82.14.030(1) and by 82.14.030(2), upon every taxable event, as defined in RCW 82.14.020, occurring within The City of Seattle. The tax shall be imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to RCW Chapters 82.08 and 82.12.
(Ord. 113520 § 1, 1987: Ord. 110877 § 1, 1982.)

5.60.020 Rate of tax imposed.

The rate of the tax imposed by Section 5.60.010 shall be the five-tenths ($\frac{5}{10}$) of one percent (1%) of the selling price or value of the article used, as the case may be, as authorized by RCW 82.14.030(1), effective April 1, 1970; and three-tenths ($\frac{3}{10}$) of one percent (1%) effective July 1, 1983, increasing to five-tenths ($\frac{5}{10}$) of one percent (1%) effective January 1, 1988, as authorized by RCW 82.14.030(2); provided however, that during such period as there is in effect a sales tax and use tax imposed by King County under RCW 82.14.030(2) at a rate which is less than the rate imposed by this section, the County shall receive from the tax imposed by Section 5.60.010 that amount of revenues equal to fifteen percent (15%) of the rate of the tax imposed by King County under RCW 82.14.030(2).
(Ord. 113727 § 1, 1987: Ord. 113520 § 2, 1987: Ord. 110877 § 2, 1982.)

5.60.030 Administration and collection of tax.

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.050. (Ord. 110877 § 3, 1982.)

5.60.040 Consent to inspection of records.

The City of Seattle hereby consents to the inspection of such records as are necessary to qualify the City for inspection of records of the Department of Revenue, pursuant to RCW 82.32.330. (Ord. 110877 § 4, 1982.)

5.60.050 Authorizing execution of contract for administration.

The Mayor is hereby authorized to enter into a contract with the Department of Revenue for the administration of this tax. (Ord. 110877 § 5, 1982.)

5.60.060 Special initiative.

The ordinance codified in this chapter shall be subject to a special initiative as contemplated by Section 19, Chapter 49, Laws of 1982, First Extraordinary Session, and Article IV, Section 1 of the City Charter. (Ord. 110877 § 6, 1982.)

5.60.070 Penalties.

Any seller who fails or refuses to collect the tax as required with the intent to violate the provisions of this chapter or to gain some advantage or benefit, either direct or indirect, and any buyer who refuses to pay any tax due under this chapter shall be guilty of a misdemeanor, and upon conviction thereof shall be fined no more than Five Hundred Dollars (\$500.00) or imprisoned for not more than six (6) months, or by both such fine and imprisonment. (Ord. 110877 § 7, 1982.)

Chapter 5.64**TAX ON SALE OF REAL ESTATE****Sections:****5.64.010 Imposition of real estate excise tax.****5.64.020 Consistency with state tax.****5.64.030 Deposit and use of tax proceeds.****5.64.040 Lien provisions.****5.64.050 Seller's obligation.****5.64.060 Notation of payment.****5.64.070 Date payable.****5.64.080 Refunds of excessive and improper payments.****5.64.090 Apportionment.****5.64.100 Additional real estate excise tax.**

Severability: The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance, or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances. (Ord. 110674 § 2, 1982.)

5.64.010 Imposition of real estate excise tax.

There is hereby imposed an excise tax upon each sale of real property in the corporate limits of this City at the rate of one-quarter (1/4) of one percent (1%) of the selling price as authorized by Chapter 49, Laws of 1982, 1st Extraordinary Session. (Ord. 110674 § 1(part), 1982.)

5.64.020 Consistency with state tax.

A. The tax shall be collected in the same manner as the State Real Estate Excise tax imposed by RCW Chapter 82.45.

B. All applicable rules, regulations, laws and court decisions regarding real estate excise taxes as imposed by the state under RCW Chapter 82.45 and implemented by Washington Administrative Code Chapter 458-60 shall apply. (Ord. 110674 § 1(part), 1982.)

5.64.030 Deposit and use of tax proceeds.

The King County Comptroller may retain one percent (1%) of the proceeds of the taxes collected for the county current expense fund to defray the costs of collection. All remaining proceeds from City taxes collected shall be paid to the City Finance Director at least monthly and, upon receipt, deposited in the Cumulative Reserve Fund

5.64.080 REVENUE, FINANCE AND TAXATION

for municipal capital improvements, including those listed in RCW 35.43.040. (Ord. 116368 § 169, 1992; Ord. 110674 § 1(part), 1982.)

5.64.040Lien provisions.

The tax and any interest or penalties thereon are a specific lien upon each piece of real property sold from the time of sale until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. (Ord. 110674 § 1(part), 1982.)

5.64.050Seller's obligation.

The tax is an obligation of the seller and may be enforced through an action against the seller or in the manner prescribed for the foreclosure of mortgages. Resort to one (1) course of enforcement is not an election not to pursue another. (Ord. 110674 § 1(part), 1982.)

5.64.060Notation of payment.

The tax shall be paid to and collected by the King County Comptroller, who shall act as agent for the City in collecting the tax and perform the duties contemplated by Section 16, Chapter 49, Laws of 1982, First Extraordinary Session. (Ord. 110674 § 1(part), 1982.)

5.64.070Date payable.

The tax is due and payable immediately at the time of sale and, if not paid within thirty (30) days thereafter, shall bear interest at the rate of one percent (1%) per month from the time of sale until the date of payment. (Ord. 110674 § 1(part), 1982.)

5.64.080Refunds of excessive and improper payments.

If the State Department of Revenue authorizes a refund of an excessive amount or an improper payment of the state real estate excise transaction upon a particular sale, the King County Comptroller, upon application of the taxpayer, may make a refund of the City tax paid, and withhold a like amount from the next monthly distribution to the City. (Ord. 110674 § 1(part), 1982.)

5.64.090Apportionment.

When a sale involves a single property bisected by the City's limits, or two (2) or more real prop-

erties, some of which are located within the City and some of which are located outside, the King County Comptroller may determine the tax amount due to the City according to information supplied upon accompanying affidavits, and, if unable to determine the appropriate value therefrom, the King County Comptroller may rely upon recommendations of the State Department of Revenue, or the King County Assessor in making a determination of the amount of tax due. (Ord. 110674 § 1(part), 1982.)

5.64.100Additional real estate excise tax.

In accordance with RCW 82.46.035, and in addition to the excise tax on sale of real property imposed by Sections 5.64.010 and 5.64.020, there is hereby imposed an excise tax on each sale of real property located within the corporate limits of The City of Seattle at the rate of one-quarter of one percent (0.25%) of the selling price to be collected by the County as prescribed in RCW 82.46.060. Proceeds from this additional tax shall be deposited in the Real Estate Excise Tax Account Two of the Cumulative Reserve Fund and expended as authorized by law, solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. (Ord. 116497 § 4, 1992; Ord. 115932 § 1, 1991.)

**Chapter 5.68
USE TAX—NATURAL OR
MANUFACTURED GAS**

Sections:

5.68.010Imposition of use tax.

5.68.020Exceptions and deductions.

5.68.030Administration and collection of tax.

5.68.040Consent to inspection of records.

5.68.050Authorizing execution of contract for administration.

(Seattle 3-93)

5.68.010 Imposition of use tax.

There is hereby imposed upon every person a use tax for the privilege of using natural gas or manufactured gas in the City as a consumer at the rate of six percent (6%) of the value of the gas used, as authorized by RCW 82.14.230. (Ord. 115960 § 1, 1991; Ord. 115160 § 1(part), 1990.)

5.68.020 Exceptions and deductions.

A. The "Value of the gas used," does not include any amounts that are paid for the hire or use of a natural gas business in transporting the gas subject to tax under this subsection if those amounts are subject to tax under subsection C of Section 5.48.050.

B. The tax imposed under this section shall not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under subsection C of Section 5.48.050 with respect to the gas for which exemption is sought under this section.

C. There shall be allowed a deduction against the value of the gas used when: (1) the person who sold the gas to the consumer has paid a gross receipts tax similar to that imposed under this section to another state; or (2) the person consuming the gas has paid a gross receipts tax similar to that imposed under this section to another state. The deduction shall be with respect to and in the amount of the value of the gas for which the gross receipts tax was paid.

D. The use tax shall be paid by the consumer. (Ord. 115160 § 1(part), 1990.)

5.68.030 Administration and collection of tax.

The administration and collection of the tax imposed by this chapter shall be in accordance with the provisions of RCW 82.14.050. (Ord. 115160 § 1(part), 1990.)

5.68.040 Consent to inspection of records.

The City of Seattle hereby consents to the inspection of such records as are necessary to qualify the City for inspection of records of the

Department of Revenue, pursuant to RCW 82.32.330. (Ord. 115160 § 1(part), 1990.)

5.68.050 Authorizing execution of contract for administration.

The Mayor is hereby authorized for and on behalf of the City to enter into a contract with the Washington State Department of Revenue for the administration of this tax. (Ord. 115160 § 1(part), 1990.)

5.68.050

REVENUE, FINANCE AND TAXATION

Seattle Municipal Code

June, 1998 code update file

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(Seattle 3-92)

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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
Antirecessionary Grant Fund	105962
Arterial City Street Fund	90497, 107296
Bond Fund, 1987 Bond Account	113442
Business Improvement Area Fund	111244
Capitol Hill Business Improvement Area Account	113029
Downtown Seattle Retail Core Business Improvement Area Account	113015
Pioneer Square Account	111244
West Seattle Junction Parking and Business Improvement Area Account	113326
Cherry Hill Fund, Program No. Wash. N-5	99155
Community Development Operating Fund	99644
Comprehensive Planning Assistance Fund	101637, 103726, 103786, 104523
Consolidated Local Improvement District No. 1	
Bond Redemption Fund	108419
Construction and Land Use Fund	109124
Housing and Abatement Account (See § 22.202.050)	114815
Contingent Fund (See Charter Art. VIII § 10)	Charter
Contingent Fund A	18132, 45599, 96790, 99585
Contingent Fund B	8260, 88537, 96234
Contingent Fund D	93614
Development Rights Fund	117342
Drainage and Wastewater Fund (See § 21.28.280, Ch. 21.33)	84390, 91208, 114155
Economic Development Grant Fund	106869
Employees Retirement Fund (See § 4.36.020)	78444
Engineering Services Fund	118385
Entrepreneurial Assistance Program Fund	101533
Executive Services Fund	109129, 118636
FACE Programs Escrow Fund	100628
Firemen's Pension Fund	98956
General Donations and Gifts Trust Fund	88046
Abused Women's Shelter Fund	114547
Animal Population Control Clinic Account	101212
Anti-Violence Project Fund.....	117035
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
Children and Youth Commission Account	113260

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**Seattle Municipal Code
June, 1998 code update file
Text provided for historic reference only.**

Chinese Garden Memorial Account

TABLE OF FUNDS

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REVENUE, FINANCE AND TAXATION

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
Gift Catalogue Account (See Chapter 5.78)	112137
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
Christopher Columbus Commemorative Sculpture Account	105013
Discovery Park Memorial Account	114947
Division on Aging Senior Opportunities Gifts and Donations Account	105566
Downtown Health and Human Service Account	112602
Elderly Activities Account	103416
Family Violence Project Account	114881
Help the Animals Account	108357
Korean and Vietnam Casualties Memorial Account	103140, 103597
Kubota Gardens Account	114052
K-9 Unit Gifts Account	106656
Molly Matthews Memorial Account	111639
Mayor's Small Business Task Force Account.....	117017
Medic I Program Account	102770
Nutcracker Northwest Account	100562
OWR Public Information and Educational Materials Account.....	116598
Police Department Horse Patrol	110461, 110866
Police Officer of the Year Award Account	102977
PONCHO Display Case Account	103077
P-Patch Gardenship Account	118546
Seattle Arts Festival Account	101347
Seattle Center Gifts Account	106102
Tony Smith Sculpture Account	103334
Summer Youth Activities Account	97902
John N. Sylvester Playfield Internship Program Memorial Account.....	117273
Transportation Systems Management (TSM) Account	112514
Volunteer Park Conservatory Account	116399
Mrs. Betty Wile Levy Medical Aid Unit Memorial Account	108395
Zoo Parent Account	112504
General Fund	106960
Cumulative Reserve Subfund	81301, 116497, 117977
Capital Projects Account	116497, 117977
Major Maintenance Reserve Account	116497, 117256, 117977
Development Rights Subfund	117342, 117977
Election Campaign Account (See § 2.04.460)	106653, 107772, 108130
Emergency Subfund.....	116642, 117977
Emergency Account	116642, 117977
Supplemental Appropriation Account	116642, 117977

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Group Term Life Insurance Subfund	117977
Health Care Subfund	114893, 117977
Industrial Insurance Subfund (See § 4.44.060)	101715, 117977
Judgment/Claims Subfund (See § 5.24.010)	108657, 117977
Neighborhood Matching Subfund	113750, 115345, 117977
Refund Account	106058, 106295, 106966, 108434, 109133
Special Employment Program Subfund	112556, 117977
Unemployment Insurance Subfund (See § 4.40.020)	104083, 107063, 117977
General Fund (See Charter Art. VIII § 15)	Charter
General Trust Fund	112362
Drug Enforcement Forfeiture Account	113484
Emergency Management Subfund	118617
Vice Enforcement/Money Laundering Forfeiture Account.....	116666
Guaranty Deposits Fund	16045
Housing and Community Development Revenue Sharing Fund	104195
LID Subaccount	107071
Repayment Fund Subaccount	109267
Southeast Seattle Economic Development Revolving Account	113991
Stevens Neighborhood Strategy Area Revolving Development Account	108066
Urban Renewal Close Out Subaccount	106797
Housing Rehabilitation Holding Fund	103703
Human Resources Operating Fund	103014
Indian Federal Integrated Grant Project Fund	102358
Library Fund (See Charter Art. XII § 1)	Charter
Light Fund	96529
Local Improvement Guaranty Fund (See Chapter 20.08)	62364, 70894, 102560
Low Income Elderly and Handicapped	
Housing Development Bond Redemption Fund	110124
General Obligation Bond, 1986 Advance Refunding Account	113244
Low-Income Housing Fund	113834
Downtown Housing Maintenance Account (See § 22.210.100)	112383, 113834
Downtown Housing Preservation Account (See § 22.210.190)	112342, 113834
Growth-Related Housing Account	113834
Housing Matching Account	114376
Multi-year Housing Program Account	115089
1986 Housing Levy Account	112904, 113834
TDR/Mitigation Subfund	113752, 113834, 115583, 118307
Weatherization Account	115647
Metro Transit Payroll Fund	101734
Minimum Maintenance Historic Building Revolving Fund (See § 25.28.260)	107323
Model City Fund	96839, 98123, 98770
Municipal Arts Fund (See § 20.32.050)	102210, 105389
Lloyd Hamrol Sculpture Subaccount	108113
Municipal Light and Power Bond Reserve Fund	71917, 92935
NDP Expenditures Fund, Program No. Wash. A-2	98876
Neighborhood Participation Account	115345
Northwest Leschi Rehabilitation Escrow Fund, Program No. Wash. A-2	98876
Officers and Employees Claim Fund	104526, 105637

REVENUE, FINANCE AND TAXATION

Open Spaces and Trails Bond Fund	114900
Park Acquisition and Development Fund	97059
Aquarium Donations Account	107600
Conservatory Donations Account	106963
Park and Recreation Fund (See Charter Art. XI § 3)	Charter
Municipal Golf Facilities Improvement Subaccount	115678
Pike Place Project Rehabilitation Escrow Fund, Project No. Wash. R-17	104811
Project Temporary Loan Repayment Fund, Project No. Wash. R-13	98417
Rapid Transit Study Fund	96366
Residual Cash Investment Fund (See § 5.06.030)	111626
Salary Fund	107949
Seattle Center Fund	92479, 94767
Seattle Municipal Water System 1981 Construction Fund	110208
Seattle Sewerage Revenue Bond Reserve Fund	87670
Seattle Water Revenue Bond Reserve Fund	87220, 91667
Solid Waste Fund (See § 21.40.130)	99322, 104455
Survey and Planning Fund, Wash. R-5	93291
Survey and Planning Fund, Wash. R-13	93291
Training Operating Fund	101694
Transportation Bond Fund	118503
Transportation Fund	116441
Street Utility Subfund	116451
Transportation Operating Fund	117713
Transportation Improvement Fund	114353
Arterial Development Subfund	114818
Treasurer's Clearing Fund	103415, 106058
Urban Renewal Operating Fund	91953
Utility Clearing Fund	92358
Vanpool Fund	108614, 108807
Voucher Fund	107948
Water Construction Fund	112034
Waterway Operation and Maintenance Account (See § 16.08.050)	87983, 100171, 114227

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**Chapter 5.78
GIFT CATALOGUE**

(Ord. 116368 § 170, 1992; Ord. 114260 § 1, 1988; Ord. 112137 § 1(part), 1985.)

Sections:

- 5.78.010**Account established—Donations.
- 5.78.020**Expenditures—Seattle Center programs.
- 5.78.030**Expenditures—Seattle Arts Commission.
- 5.78.040**Expenditures—Seattle Transportation programs.
- 5.78.060**Expenditures—Department of Housing and Human Services.
- 5.78.070**Expenditures—Seattle-King County Department of Public Health.
- 5.78.080**Expenditures—Seattle Public Utilities.
- 5.78.090**Expenditures—Police Department.
- 5.78.100**Expenditures—Fire Department.
- 5.78.110**Expenditures—Georgetown Steam Plant Landmark Center.
- 5.78.120**Expenditures—Department of Parks and Recreation.
- 5.78.130**Expenditures—Personnel Director.
- 5.78.140**“In-kind” gift acceptance conditions.
- 5.78.150**Expenditures—Finance Director.
- 5.78.160**Expenditures—Department of Construction and Land Use.
- 5.78.170**Expenditures—City Clerk's Office.
- 5.78.180**Expenditures—Department of Neighborhoods.

5.78.020 Expenditures—Seattle Center programs.

The Director of the Seattle Center is authorized to direct expenditures for the donations made to the Seattle Center programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw to pay warrants against the designated program account or subaccount on vouchers approved by The Seattle Center Director as to payee and purpose. (Ord. 116368 § 171, 1992; Ord. 112137 § 1(part), 1985.)

5.78.030 Expenditures—Seattle Arts Commission.

The Seattle Arts Commission is authorized to direct expenditures for the donations made to the Seattle Arts Commission programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by said Commission as to payee and purpose. (Ord. 116368 § 172, 1992; Ord. 112137 § 1(part), 1985.)

5.78.040 Expenditures—Seattle Transportation programs.

The Director of Transportation is authorized to direct expenditures for the donations made to Seattle Transportation programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Director of Transportation as to payee and purpose. (Ord. 118409 § 7, 1996; Ord. 116368 § 173, 1992; Ord. 112137 § 1(part), 1985.)

5.78.010 Account established—Donations.

A. There is hereby established a Gift Catalogue account in the General Donations and Gift Trust Fund with subaccounts therein for the purposes set forth in the City's Gift Catalogue, and donations shall be credited to the appropriate subaccounts. The City Finance Director is authorized and directed to accept donations for the purposes set forth in the Gift Catalogue and to give his or her receipt, and the City Finance Director shall keep appropriate accounts and subaccounts therefor.

B. “City's Gift Catalogue,” as used in this chapter, means the document attached to Ordinance 112137 and such supplemental catalogues as may be issued by the City, with the approval of the Mayor and the City Council by resolution, from time to time.

5.78.060 REVENUE, FINANCE AND TAXATION

5.78.060 Expenditures—Department of Housing and Human Services.

The Director of the Department of Housing and Human Services is authorized to direct expenditures for the donations made to that Department's programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Director of Housing and Human Services as to payee and purpose.

(Ord. 116368 § 175, 1992; Ord. 115958 § 17, 1991; Ord. 112137 § 1(part), 1985.)

5.78.070 Expenditures—Seattle-King County Department of Public Health.

The Director of Public Health is authorized to direct expenditures for the donations made to the Seattle-King County Department of Public Health programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Director of Public Health as to payee and purpose.

(Ord. 116368 § 176, 1992; Ord. 112137 § 1(part), 1985.)

5.78.080 Expenditures—Seattle Public Utilities.

The Director of Seattle Public Utilities is authorized to direct expenditures for the donations made to the Seattle Public Utilities programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Director of Seattle Public Utilities as to payee and purpose.

(Ord. 118396 § 8, 1996; Ord. 116368 § 177, 1992; Ord. 112137 § 1(part), 1985.)

5.78.090 Expenditures—Police Department.

The Chief of Police is authorized to direct expenditures for the donations made to the Police Department programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw to pay warrants against said program accounts or subaccounts on vouchers approved by the Chief as to payee and purpose.

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(Ord. 116368 § 178, 1992; Ord. 112137 § 1(part), 1985.)

5.78.100 Expenditures—Fire Department.

The Chief of the Fire Department is authorized to direct expenditures for the donations made to the Fire Department programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Chief as to payee and purpose.

(Ord. 116368 § 179, 1992; Ord. 112137 § 1(part), 1985.)

5.78.110 Expenditures—Georgetown Steam Plant Landmark Center.

Disbursements from the Gift Catalogue account for the Georgetown Steam Plant Landmark Center program and other programs not provided for by this chapter shall be made by separate ordinance.

(Ord. 112137 § 1(part), 1985.)

5.78.120 Expenditures—Department of Parks and Recreation.

The Superintendent of Parks and Recreation is authorized to direct expenditures for the donations made to the Department of Parks and Recreation programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Superintendent as to payee and purpose.

(Ord. 116368 § 180, 1992; Ord. 112137 § 1(part), 1985.)

5.78.130 Expenditures—Personnel Director.

The Director of Personnel is authorized to direct expenditures for the donations made to programs of the former Personnel Department or to programs of the Personnel Division in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Director of Personnel as to payee and purpose.

(Ord. 118397 § 86, 1996; Ord. 116368 § 181, 1992; Ord. 112137 § 1(part), 1985.)

5.78.140 "In-kind" gift acceptance conditions.

Department heads are authorized to accept "in-kind" gifts and use the same for their respective programs as set forth in the City's Gift Catalogue as designated by the donor.

(Ord. 112137 § 1(part), 1985.)

5.78.150 Expenditures—Finance Director.

The City Finance Director is authorized to direct expenditures for the donations to programs of the former Finance Department and to programs of the former Department of Licenses and Consumer Affairs in the City's Gift Catalogue as designated by the donor; and to draw and to pay warrants against said program accounts or subaccounts on vouchers.

(Ord. 118397 § 87, 1996; Ord. 117169 § 59, 1994; Ord. 116368 § 182, 1992; Ord. 114260 § 2(part), 1988.)

5.78.160 Expenditures—Department of Construction and Land Use.

The Director of Construction and Land Use is authorized to direct expenditures for the donations to the Construction and Land Use Department programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against said program accounts or subaccounts on vouchers approved by the Director of Construction and Land Use as to payee and purpose.

(Ord. 116368 § 183, 1992; Ord. 114260 § 2(part), 1988.)

5.78.170 Expenditures—City Clerk's Office.

The City Council is authorized to direct expenditures for the donations to the City Clerk's Office programs in the City's Gift Catalogue as designated by the donor; and the City Finance Director is authorized to draw and to pay warrants against such program accounts or subaccounts on vouchers approved by the City Clerk as to payee and purpose.

(Ord. 116368 § 185, 1992; Ord. 114966 § 1, 1990.)

5.78.180 Expenditures—Department of Neighborhoods.

The Director of the Department of Neighborhoods is authorized to direct expenditures from the donations made to that Department's programs that are in the City's Gift Catalogue, as amended from time to time, or for which an account or subaccount for deposit of donations is established by ordinance. Such expenditures shall be consistent with the designation by the donor. The City Finance Director is authorized to draw and to pay warrants against said accounts or subaccounts for such programs, or make appropriate transfers from such accounts or subaccounts, based on vouchers approved by the Director of Neighborhoods as to payee and purpose.

(Ord. 118546 § 5, 1997.)

**Chapter 5.80
CUMULATIVE RESERVE SUBFUND**

Sections:

5.80.010 Purpose of subfund.

5.80.020 Structure of subfund.

5.80.030 Capital projects accounts.

5.80.010 Purpose of subfund.

There is hereby established under authority of RCW 35.21.070, as a subfund of the General Fund, a cumulative reserve fund for several different municipal purposes as well as certain specific municipal purposes as follows:

A. The making of any public improvement, including but not limited to the construction, alteration, renovation or repair of City buildings; the establishment, widening and extending of streets and highways; and the construction and repair of sewers;

B. Investigations and studies in connection with any public improvement;

C. The acquisition of real property;

D. The purchase of supplies, material or equipment as specified in the ordinance making an appropriation therefor;

E. Civil defense;

F. The provision of low-income housing;

G. The provision of reserves for revenue stabilization for future operations;

H. Short-term loans for capital projects to meet cash-flow requirements, provided that a source of repayment is identified and that a schedule and term of repayment are specified;

5.80.010 REVENUE, FINANCE AND TAXATION

I. The financing of capital projects specified in the capital facilities element of the City's Comprehensive Plan and housing relocation assistance, as authorized by Chapter 82.64 RCW;

J. The matching of federal or state funds for any of the foregoing or any other municipal purpose the nature of which shall be specified in the appropriating ordinance.

The subfund shall be known as the Cumulative Reserve Subfund.

(Ord. 117977 § 1(part), 1995; Ord. 116497 § 1, 1992; Ord. 81301 § 1(part), 1952.)

5.80.020 Structure of subfund.

The Cumulative Reserve Subfund shall be comprised of two (2) accounts: the Major Maintenance Reserve Account and the Capital Projects Account, with its several sub-accounts.

A. The Major Maintenance Reserve Account shall be used to address the City's major maintenance needs, including the accumulated backlog. Expenditures from the Major Maintenance Reserve Account shall require an ordinance adopted by a majority of the members of the City Council.

B. The Capital Projects Account shall be comprised of several sub-accounts, including but not limited to the Real Estate Excise Tax Account One; the Real Estate Excise Tax Account Two; and the Unrestricted Account. Expenditures from the Capital Projects Account shall require an ordinance adopted by a majority of the members of the City Council.

(Ord. 117977 § 1(part), 1995; Ord. 117256 § 1, 1994; Ord. 116497 § 2, 1992; Ord. 81301 § 1(part), 1952.)

5.80.030 Capital projects accounts.

A. The Unrestricted Account—Major Maintenance shall be comprised of real estate excise taxes collected on or prior to April 30, 1992, and other moneys designated for that account by ordinance. Money in the Unrestricted Account—Major Maintenance derived from real estate excise taxes collected on or prior to April 30, 1992, shall be expended only for capital projects contemplated by RCW 82.46.010 and 82.46.035 prior to their 1992 amendments.

B. The Real Estate Excise Tax Account One shall be comprised of the first one-quarter ($\frac{1}{4}$) of one (1) percent excise tax on real estate sales collected on or after May 1, 1992. It shall be

expended only for the purposes and capital projects contemplated by RCW 82.46.010.

C. The Real Estate Excise Tax Account Two shall be comprised of the second one-quarter ($\frac{1}{4}$) of one (1) percent excise tax on real estate sales collected on or after May 1, 1992. It shall be used solely for the purposes and capital projects contemplated by RCW 82.46.035.

D. The Unrestricted Account—Other shall, unless provided otherwise by ordinance, be comprised of revenues from sales of surplus City property, transfers of General Fund balances, investment earnings attributable to the Capital Projects Subfund of the Cumulative Reserve Fund, and other unrestricted contributions to the Cumulative Reserve Fund.

(Ord. 116497 § 1, 1992; Ord. 81301 § 1(part), 1952.)

(Seattle 9-97)