

2018 Seattle City Council Statement of Legislative Intent

Ready for Notebook

| Tab | Action | Option | Version |
|-----|--------|--------|---------|
| 401 | 1      | A      | 1       |

Budget Action Title: Report by CBO on options for the use of revenues from the Income Tax on High-Income Residents

Ongoing: No

Primary Sponsor: Herbold, Lisa

Councilmembers:

Staff Analyst: Erik Sund

| Date |         | Total | SB | KH | LG | BH | LH | RJ | DJ | MO | KS |
|------|---------|-------|----|----|----|----|----|----|----|----|----|
|      | Yes     |       |    |    |    |    |    |    |    |    |    |
|      | No      |       |    |    |    |    |    |    |    |    |    |
|      | Abstain |       |    |    |    |    |    |    |    |    |    |
|      | Absent  |       |    |    |    |    |    |    |    |    |    |

Statement of Legislative Intent:

The Council requests that the City Budget Office (CBO) develop options for the use of future tax receipts from the City's Income Tax on High-Income Earners, established under [Ordinance 125339](#) in July of 2017. The options identified should be consistent with the provisions of [Seattle Municipal Code Section 5.65.010](#), which limits the use of receipts from the tax to the following purposes:

1. Lowering the property tax burden and the impact of other regressive taxes, including the Business & Occupation tax;
2. Addressing the homelessness crisis;
3. Providing affordable housing, education, and transit;
4. Replacing federal funding that might be lost or responding to changes in federal government policy;
5. Creating green jobs and meeting carbon emissions reduction goals; and
6. Administration of the tax itself.

Specific examples of options to be examined could include eliminating or reducing dedicated property tax levies and replacing the lost revenue with funds raised by the income tax. Examples of potential upcoming levy renewals include the Families and Education Levy and the Pre-School Levy.

The Council requests that CBO submit a written report by March 1, 2018 to the Chair of the Affordable Housing, Neighborhoods and Finance Committee, or its successor committee, and the Staff Director of the Council Central Staff describing the options identified.

Responsible Council Committee(s): Affordable Housing, Neighborhoods and Finance Committee

Date Due to Council: March 1, 2018