



1 completed by the Department of Finance and Administrative Services and Council Central Staff  
2 54 months after the effective date of the ordinance to ensure sufficient time for legislative action  
3 on any proposed extension.

4 Section 3. The Director shall establish rules under the authority of SMC 5.55.165 for  
5 taxpayers to report gross receipts which are eligible for the deduction provided in Section 1.

6 Section 24. This ordinance shall take effect and be in force 30 days after its approval by  
7 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
8 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

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11 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2012, and  
12 signed by me in open session in authentication of its passage this  
13 \_\_\_\_ day of \_\_\_\_\_, 2012.

14 \_\_\_\_\_  
15 President \_\_\_\_\_ of the City Council  
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17 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2012.

18  
19 \_\_\_\_\_  
20 Michael McGinn, Mayor  
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22 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2011.

23  
24 \_\_\_\_\_  
25 Monica Martinez Simmons, City Clerk  
26

26 (Seal)  
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**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Department of Finance and Administrative Services	Jamie Carnell/615-0493	Jennifer Devore/615-1328

**Legislation Title:**

AN ORDINANCE relating to the business license tax and other taxes; amending the tax code to allow a deduction for grants, contracts and sub-awards received as compensation for or to support life sciences research and development; adding a new subsection to Seattle Municipal Code Section 5.45.100 in connection therewith.

**Summary of the Legislation:**

Provides a business and occupation tax deduction to the life science business community for grants, contract or subawards funded directly or indirectly by the United States, State of Washington, local or municipal government. The legislation applies to a nonprofit entity or its subrecipient.

**Background:**

This legislation is the result of outreach conducted by the City Council and the Department of Finance and Administrative services to the life science community via the Greater Seattle Chamber and the Downtown Seattle Association to better understand a business and occupation tax issue which arose from the taxation of federally funded grant nonprofit and subrecipient business activities.

Please check one of the following:

**This legislation does not have any financial implications.**

NOTE: This legislation allows a tax deduction to the life science community for grants received, but the City's research indicates the revenue change will be immaterial to the City.

**This legislation has financial implications.**

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
No

- b) What is the financial cost of not implementing the legislation?**  
There is no financial cost for not implementing this legislation.
- c) Does this legislation affect any departments besides the originating department?**  
No
- d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
There are no alternatives to this legislation.
- e) Is a public hearing required for this legislation?**  
N/A
- f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
N/A
- g) Does this legislation affect a piece of property?**  
N/A
- h) Other Issues:**

**List attachments to the fiscal note below:**