

Progressive Revenue Task Force - Business-Specific City Taxes in Seattle and Select Other Jurisdictions

Seattle City Council Central Staff (E. Sund)

General Business Type ¹	Gross Receipts, Annual	Employees (# of FTE)	(a)	(b)	(c) = (a) + (b)	2018 Taxes in Bellevue ⁴	2018 Taxes in Renton ⁵	2018 Taxes in Redmond ⁶	2018 Taxes in Kirkland ⁷	2018 Taxes in Bothell ⁸	2018 Taxes in Atlanta, GA ⁹	2018 Taxes in San Diego, CA ¹⁰
			2018 Taxes in Seattle ² (No EHT)	Additional Tax from \$100 EHT ³	2018 Taxes in Seattle w/ \$100 EHT							
Retail Service	\$2,000,000	10	\$4,940	\$1,000	\$5,940	\$3,077	\$1,850	\$1,120	\$1,150	\$2,060	\$2,475	\$38
Retail Sales	\$5,000,000	10	\$13,100	\$1,000	\$14,100	\$7,565	\$2,650	\$1,120	\$1,150	\$2,060	\$5,775	\$38
Services (Business)	\$5,000,000	30	\$23,350	\$3,000	\$26,350	\$7,565	\$4,400	\$3,360	\$3,250	\$2,329	\$9,025	\$279
Retail Service	\$15,000,000	30	\$35,300	\$3,000	\$38,300	\$22,525	\$12,900	\$3,360	\$3,250	\$2,329	\$17,275	\$279
Retail Sales	\$100,000,000	100	\$224,000	\$10,000	\$234,000	\$149,685	\$50,150	\$11,200	\$10,600	\$4,958	\$110,775	\$629
Services (Business)	\$100,000,000	200	\$429,000	\$20,000	\$449,000	\$149,685	\$85,150	\$22,400	\$21,100	\$6,158	\$165,775	\$1,129
Manufacturing	\$100,000,000	200	\$224,000	\$20,000	\$244,000	\$149,685	\$85,150	\$22,400	\$21,100	\$6,211	\$165,775	\$1,129
Services (Business)	\$500,000,000	1,000	\$2,137,000	\$100,000	\$2,237,000	\$748,085	\$425,150	\$112,000	\$105,100	\$14,166	\$850,025	\$5,129

Assumptions and Notes

*This table does not capture state taxes, county or special purpose district taxes, local business income taxes, or other taxes not specific to businesses (e.g., property taxes).

*All rows assume proration based on 1920 hrs/yr = 1 FTE

*All amounts calculated using 2018 rates (except conceptual Seattle Employee Hours Tax)

¹Assumes a single category of business activity.

²Business License Tax Certificate Fee and Business License Tax (B&O/gross receipts tax) at 2018 rates (at current rates of 0.222% or 0.427%, the maximum permitted without voter approval).

³\$100/FTE/year Employee Hours Tax for businesses with no exemptions.

⁴B&O (gross receipts) tax at 0.1496% for all businesses with gross receipts above \$150,000/year +\$85 license fee.

⁵Gross receipts tax of .05% for retail activities and .085% for all others plus \$150 annual license fee. Per-employee tax for smaller businesses (in place of gross receipts tax) was repealed.

^{6,7}Employee hours-based business license fee (+\$100 registration fee in Kirkland).

⁸Multi-component business license fee; assumes 16,000 sf of business space in the city (50,000 sf+ for cases with 100 FTE+).

⁹Includes a \$50 registration fee, a tax of \$25/FTE/year for each employee after the first, and a gross receipts tax (like Seattle's B&O, but with rates from 0.060% to 0.215%).

¹⁰Includes a \$34 fee for businesses with 12 or fewer FTEs or a fee of \$125 + \$5/employee for businesses with 13 or more employees. Also includes a \$4 disability law compliance fee.