

## General Fund Revenue Overview

### City Revenue Sources and Fund Accounting System

The City of Seattle budget authorizes annual expenditures for services and programs for Seattle residents. State law authorizes the City to raise revenues to support these expenditures. There are four main sources of revenues. First, taxes, license fees, and fines support activities typically associated with City government, such as police and fire services, parks, and libraries. Second, certain City activities are partially or completely supported by fees for services, regulatory fees, or dedicated property tax levies. Examples of City activities funded in-whole or in-part with fees include certain facilities at the Seattle Center, recreational facilities, and building inspections. Third, City utility services (electricity, water, drainage and wastewater, and solid waste) are supported by charges to customers for services provided. Finally, grant revenues from private, state, or federal agencies support a variety of City services, including social services, street and bridge repair, and targeted police services.

The City accounts for all revenues and expenditures within a system of accounting entities called “funds.” The City maintains numerous funds. The use of multiple funds is necessary to ensure compliance with state budget and accounting rules and is desirable to promote accountability for specific projects or activities. For example, the City of Seattle has a legal obligation to ensure revenues from utility use charges are spent on costs specifically associated with providing utility services. As a result, each of the City-operated utilities has its own fund. For similar reasons, expenditures of revenues from the City’s various property tax levies are accounted for in separate funds. As a matter of policy, several City departments have separate funds. For example, the operating revenues and expenditures associated with those revenues for the City’s parks are accounted for in the Park and Recreation Fund. The City also maintains separate funds for debt service and capital projects, as well as pension trust funds, including the Employees’ Retirement Fund, the Fireman’s Pension Fund, and the Police Relief & Pension Fund. The City holds these funds in a trustee capacity, or as an agent, for current and former City employees.

The City’s primary fund is the General Fund. The majority of resources for services typically associated with the City, such as police and fire or libraries and parks are received into and spent from one of two funds of the City’s general government operation: the General Fund for operating resources and the Cumulative Reserve Fund for capital resources.

All City revenue sources are directly or indirectly affected by the performance of the local, regional, national, and even international economies. For example, revenue collections from sales, business and occupation, and utility taxes, fluctuate significantly as economic conditions affecting personal income, construction, wholesale and retail sales, and other factors in the Puget Sound region change. The following sections describe the current outlook for the local and national economies, and present greater detail on forecasts for revenues supporting the General Fund and the Cumulative Reserve Fund.

### National Economic Conditions and Outlook

The National Bureau of Economic Research (NBER) officially announced on July 19 that the COVID-19 sparked recession which began in February 2020 ended in April 2020. The two-month downturn was the shortest but also the steepest in U.S. history, it followed a 128-month long expansion – the longest on record since 1854. U.S. real GDP fell by 3.5% and payroll employment by 8.6 million jobs in 2020, the unemployment rate peaked at 14.4% in April 2020. For comparison, real GDP declined by 2.5% and the

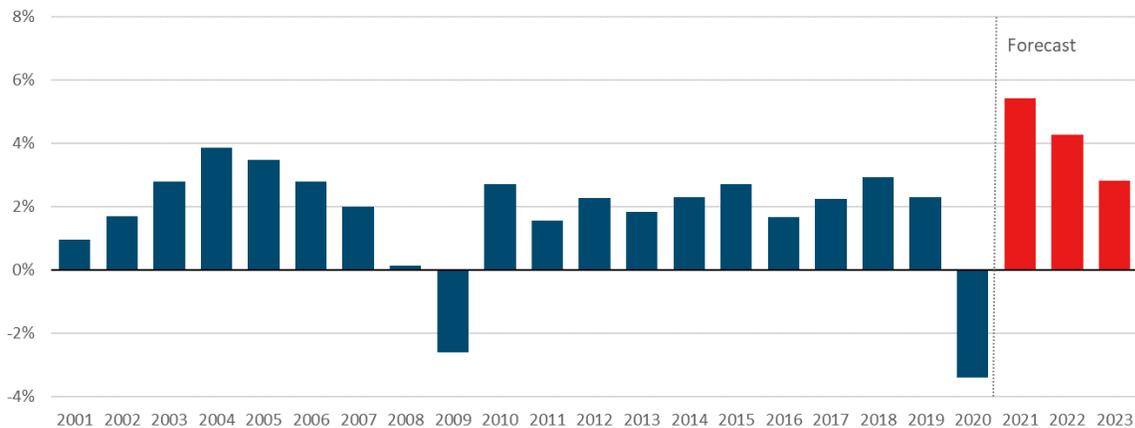
# Revenue Overview

economy lost 5.9 million jobs in the last recession in 2009, the unemployment rate peaked at 10.6% in January 2010.

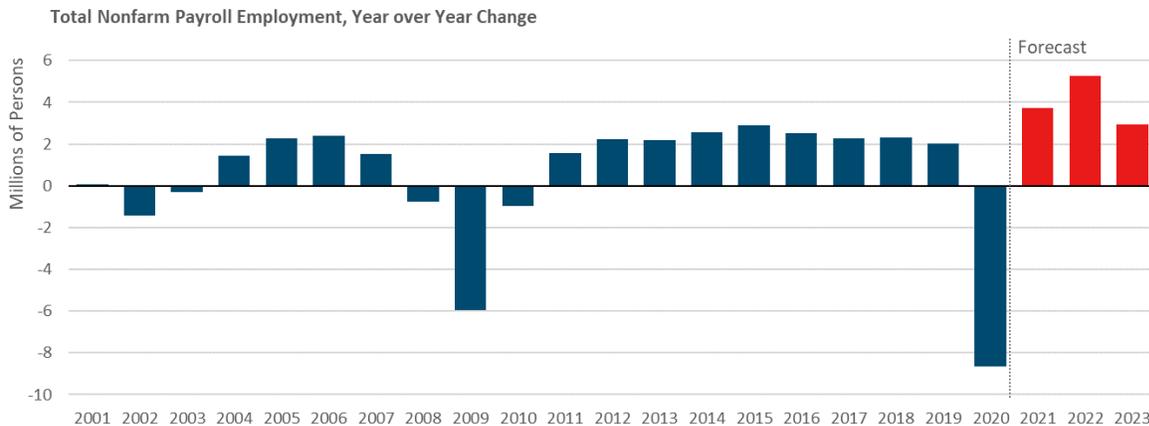
In response to the economic downturn, the Federal Reserve lowered its benchmark interest rate to 0% to 0.25% in March 2020 and returned to aggressive quantitative easing, increasing its balance sheet by more than \$3 trillion. In the same month, Congress passed the \$2.2 trillion economic stimulus bill, the Coronavirus Aid, Relief and Economic Security Act authorizing cash payments, extra unemployment benefits, relief for businesses, support for the health care sector, and state and local government support. An additional \$900 billion in stimulus was approved as part of the Consolidated Appropriations Act in December 2020. In March 2021, Congress passed the \$1.9 trillion American Rescue Plan Act. The total \$5 trillion in pandemic-era stimulus is more than triple the Great Recession aid.

Boosted by massive fiscal stimulus, real GDP recovered faster than during previous recessions and surpassed its pre-recession 2019 Q4 level in 2021 Q2. Labor market recovery will however take longer. The pandemic caused large changes in workers' preferences and employers' demands for skills and exacerbated longer term demographic pressures on labor force participation. Total employment is expected to return to pre-pandemic levels in 2022 Q3, but disruptions in some sectors will last years.

**Figure 1. U.S. Real GDP Growth**



**Figure 2. U.S. Total Nonfarm Payroll Employment, Year over Year Change**



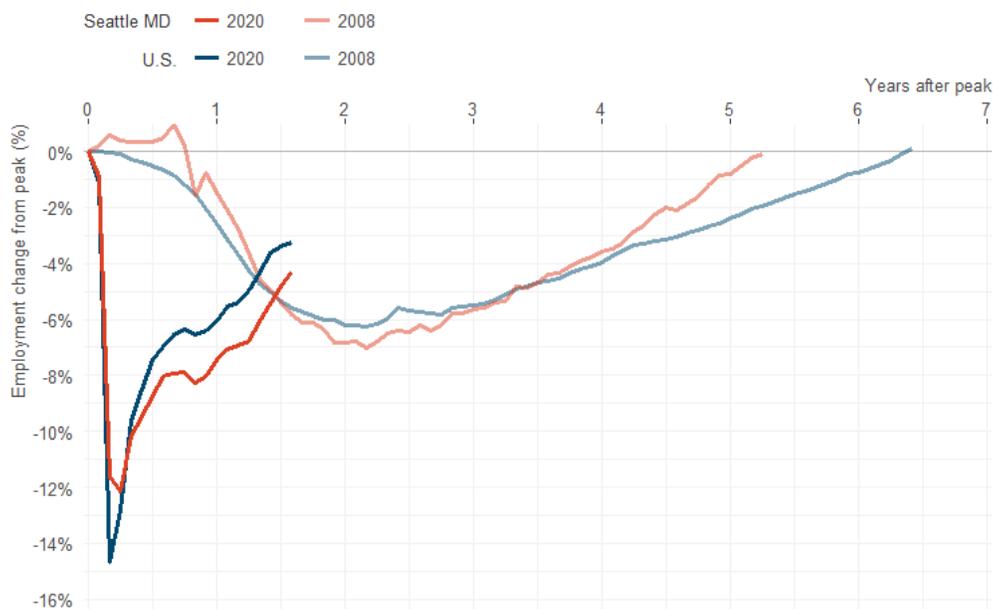
Source: U.S. Bureau of Labor Statistics, IHS Markit.

# Revenue Overview

## Seattle Metropolitan Area Economic Conditions and Outlook

**Labor Market** The regional economy has in the 2010s considerably outperformed the U. S. economy in income and employment growth. In February 2020, the seasonally adjusted unemployment rate for the Seattle Metropolitan Statistical Area (MSA) was just 3.0%, compared to 3.8% for Washington and 3.5% for the U.S. As a result of the stay-at-home orders imposed in March and April, the unemployment rate increased rapidly nationwide and peaked in April 2020, reaching 16.1% in the Seattle MSA, 16.3% in Washington and 14.7% in the U.S. Since then, it has declined significantly, but in October 2021 it was still elevated: 4.9% in the Seattle MD, 5.0% in Washington and 4.6% in the U.S. The magnitude and the speed at which the job losses occurred is unprecedented, as shown in Figure 3. The recession lasted just two months and the employment situation has significantly improved since then, but job losses are still almost as large as during the deepest point of the Great Recession.

**Figure 3. Recession Job Losses in U.S. and Seattle MD**



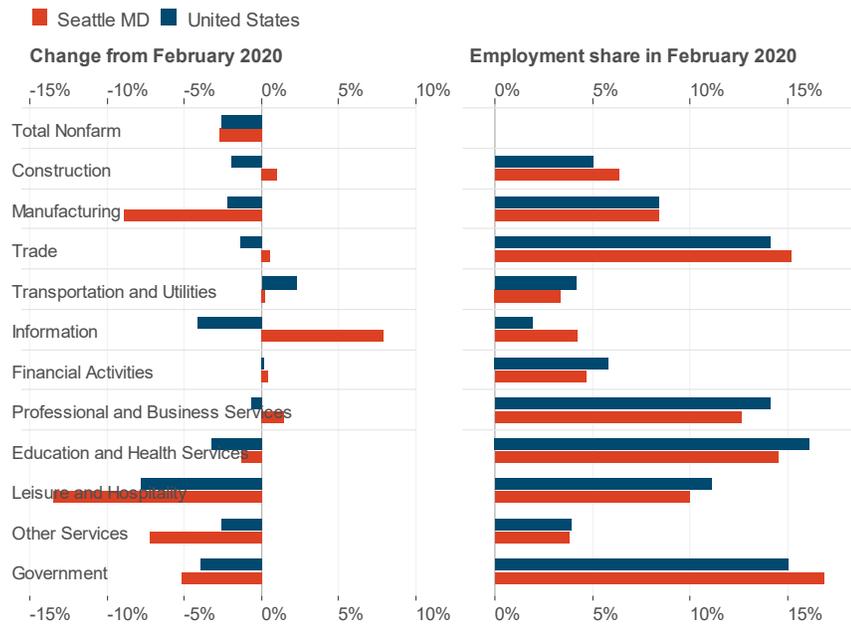
Source: U.S. Bureau of Labor Statistics and Washington State Employment Security Department

Although virtually all sectors in the Seattle region have seen employment increase in the decade after the Great Recession, the principal driver of growth has been high-technology business. Strong growth in the technology sector has spurred growth in professional and business services, as well as leisure and hospitality services and health care. Employment growth at these businesses boosted the demand for office space and housing in the city, spurring a construction boom.

Seattle recovered from both the 1990 and the 2007 recessions much earlier than the U.S. The 2001 recession after the collapse of the dotcom bubble and 9/11 terrorist attacks hit the region harder and the recovery took much longer. The path of total employment recovery from the 2020 recession has so far been slower on the regional than the national level as well. A closer look at the industry sectors in Figure 4 shows where the effects differ considerably. Regional employment in manufacturing and leisure and hospitality services declined significantly more and both sectors are also recovering more slowly than on the national level. These two sectors represented just 18.4% of total regional employment in February 2020, yet account for 67.4% of jobs lost and not recovered in the Seattle MD as of October 2021. The information sector has grown, as work-from-home and e-commerce increased demand for tech sector services.

# Revenue Overview

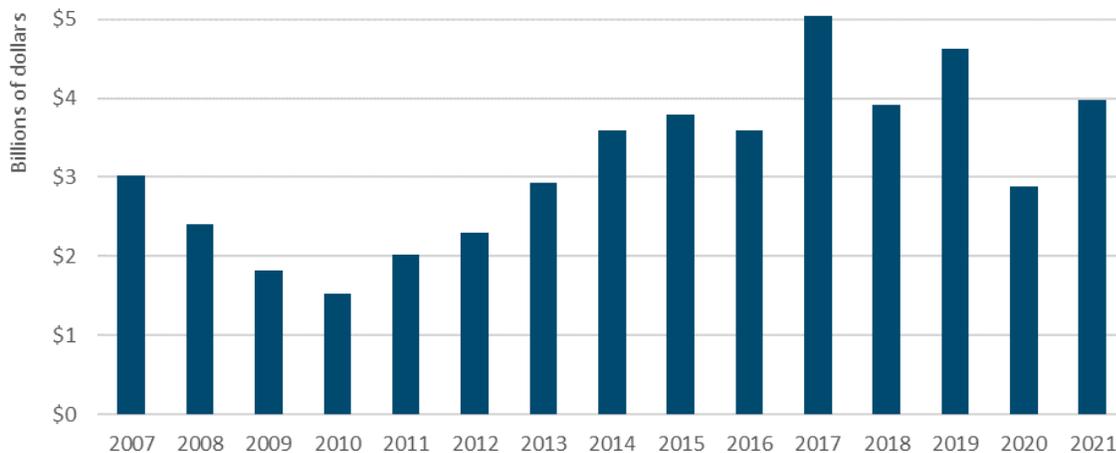
**Figure 4. Change in Employment by Industry, Seattle MD vs U.S., February 2020 to October 2021**



Source: U.S. Bureau of Labor Statistics, Washington State Employment Security Department. Seasonally Adjusted.

Construction activity is highly cyclical, with periods of strong growth often followed by steep downturns. Seattle experienced a prolonged construction boom in the last ten years. The value of building permits issued by Seattle’s Department of Construction & Inspections (DCI) increased from on average \$1.82 billion every year between 2000 and 2009, to on average \$3.33 billion every year between 2011 and 2019. As shown in Figure 5, permits issued recovered in 2019 after a significant decline in 2020 but they are still below 2019 level. The biggest drop occurred for commercial building permits, which accounted for 56.4% of total in 2019 and ended 14.9% lower in 2021 compared to 2019. Residential permits on the other hand recovered completely, they accounted for 31.5% of total in 2019 and ended 5.1% higher in 2021 compared to 2019. The total value of building permits issued was 15.1% lower in 2021.

**Figure 5. Value of Building Permits Issued by City of Seattle**



# Revenue Overview

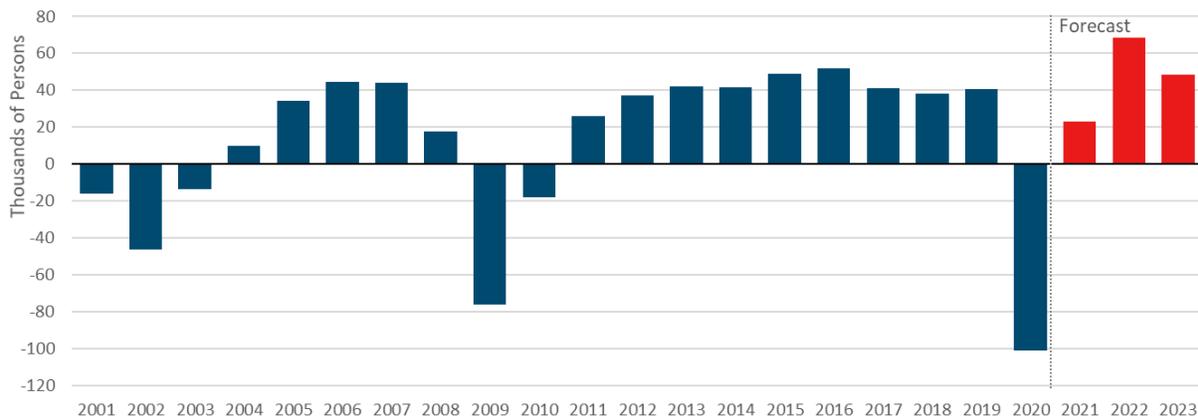
**Inflation** The Great Recession pushed inflation into negative territory in 2009, the first time in 54 years that consumer prices had declined on an annual basis. During the subsequent recovery, inflation has remained subdued, with the U.S. Consumer Price Index for All Urban Consumers (CPI-U) averaging 1.8% per year over the period 2010-2019. Lower consumer demand due to the COVID-19 pandemic put significant downward pressure on prices, the U.S. CPI-U increased by just 1.0% during the 12-month period ending July 2020. Supply chain disruptions caused by the pandemic in combination with the re-opening economy and demand stimulated by fiscal stimulus caused prices to spike sharply in 2021. Based on the IHS Markit forecast from October, U.S. CPI-U Inflation is expected to reach 4.3% in 2021, then moderate back to slightly above 2% by the end of 2023 and average about 2.3% in the next five years.

Local inflation tends to track national inflation because commodity prices and national economic conditions are key drivers of local prices. Seattle inflation has, however, been running on average about 0.5% higher in recent years due to the region’s higher population and income growth and high housing price inflation compared to the nation. From 2011 to 2019, Seattle CPI-U has grown on average 2.2% each year, compared to 1.8% for the U.S. CPI-U. Average annual housing inflation for this period was 3.9% for Seattle and 2.3% for the U.S. This trend will very likely continue, as the pandemic has increased demand in the housing market, resulting in home prices rising quickly. After a drop to 1.6% in 2020, Seattle area CPI-U inflation is expected to continue to track higher than national inflation, reach 4.5% in 2021 and 4.3% in 2023, then average about 2.5% in the next five years.

**Regional Economic Outlook** The regional economy and its labor force are well diversified, and with a large share of technology and e-commerce sector employment, the Seattle area has the potential for healthy employment growth once the current problems subside.

Based on the October CBO regional economic forecast, Seattle MD payroll employment is expected to grow 1.4% in 2021. Labor market recovery is slow and gradual. Based on the forecast, the 2019 Q4 peak will be reached in 2023 Q1. This would still be a quicker recovery than after the 2007 recession, when employment took five and half years to recover.

**Figure 6. Seattle MD Total Payroll Employment, Year over Year Change**

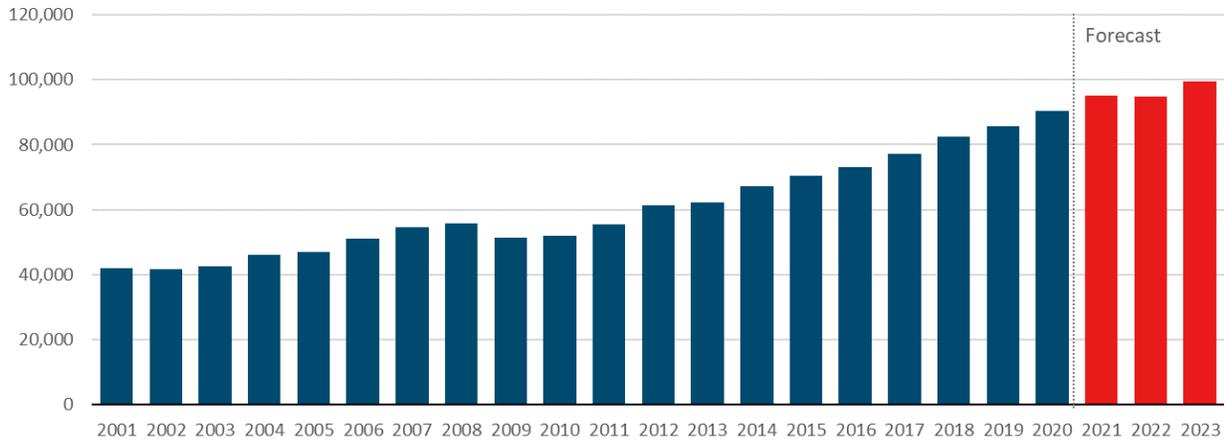


Source: Washington State Employment Security Department, Seattle City Budget Office

# Revenue Overview

Personal income per capita in 2021 is expected to be 5.2% higher than in 2020 due to the fiscal stimulus.

**Figure 7. Seattle MD Per Capita Personal Income**



Source: U.S. Bureau of Economic Analysis, Seattle City Budget Office

There are several sources of uncertainty and downside risk for the regional economy and Seattle in particular, both in the short- and long-run. Initial optimism after the rollout of vaccines in the spring was cooled down by the emergence of the Delta variant at the beginning of summer. Consumer sentiment dropped significantly. Plateaus in TSA screened travelers, hotel occupancy rates, and OpenTable reservations signal a more cautious and slower return to pre-pandemic spending patterns. Major local employers, including Amazon and Microsoft, have delayed the return to office.

Boeing’s 737 MAX was finally approved to resume service by the FAA in November 2020 after being grounded in March 2019, but the collapse in demand for travel and canceled orders have led Boeing to consolidate its two 787 assembly lines into a single location in South Carolina. Closing the assembly line in Everett where Boeing employs 30,000 workers will have prolonged negative consequences not just for the local aerospace and manufacturing industry, but the local economy as whole.

Prosperity in the leisure and hospitality sector, local hotels and restaurants, is closely tied to tourism, conventions and cruises. The leisure and hospitality sector was a notable employer in the region before the pandemic and faces a very slow recovery. Long term effects will depend on consumers’ perception of how safe it is to engage in these activities. Based on the May 2021 forecast by CBRE Hotels Research in partnership with Kalibri Labs, the Seattle hotel industry will not fully recover until the end of 2024.

The outlook for the construction sector depends largely on the extent to which employers shift to work-from-home and the resulting drop in demand for new office space. Brick-and-mortar retail was hit hard by the pandemic and lost significant market share to online commerce. A large drop in commercial construction permits issued by Seattle DCI foreshadows a decline in construction activity.

Finally, the payroll expense tax that the Seattle City Council passed in July 2020 will add to business costs, possibly slowing down employment recovery, return to office, and making Seattle less attractive relative to other cities in the region. The evidence so far is anecdotal and indirect, evaluating the full impact will take some time.

# Revenue Overview

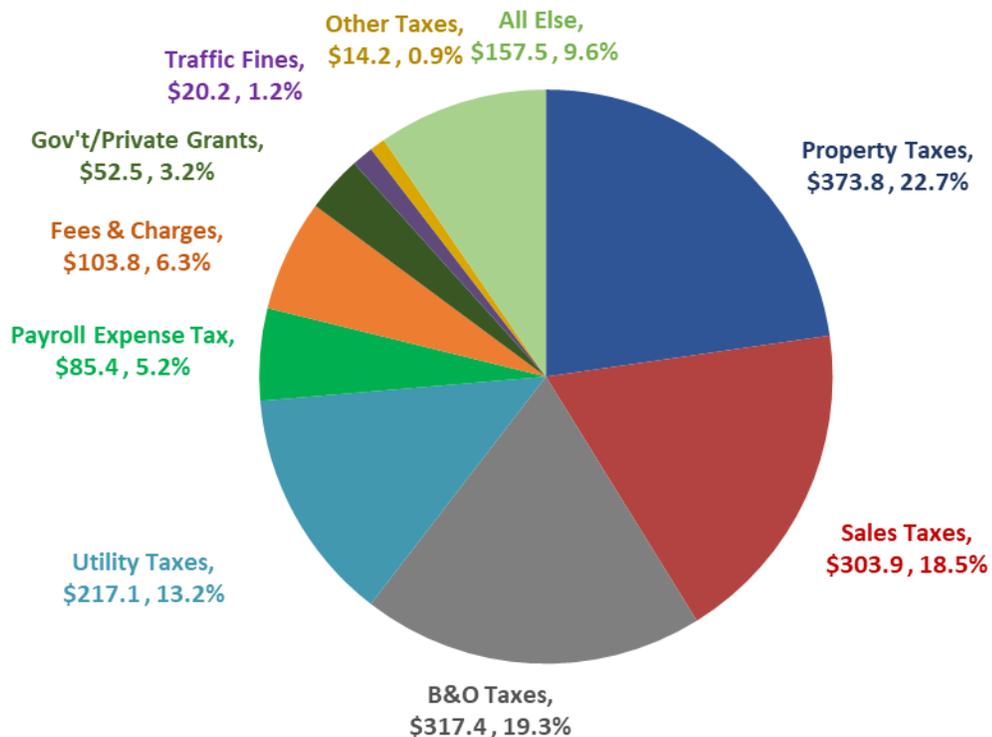
## City Revenue

The following sections describe forecasts for revenue supporting the City’s primary operating fund, the General Fund, its primary capital funds – the Cumulative Reserve Funds, and three select other funds – the Sweetened Beverage Tax Fund, the Short-Term Rental Tax Fund and the Jump Start Payroll Expense Tax Fund.

## General Fund Revenue Forecast

Taxes primarily support expenses paid from the General Fund. The COVID-19 pandemic caused a 5.3% drop in total revenue and a 9.1% drop in tax revenue in 2020. A 29.0% increase in tax revenue expected in 2021 is to a large extent due to a new Payroll Expense Tax (PET). Without this tax, tax revenue would only grow 10.5 % in 2021. Beginning in 2022, total projected PET revenues of \$233.9 million are moved from the General Fund to the JumpStart Payroll Expense Tax Fund, but a \$85.4 million transfer from the JumpStart Payroll Expense Tax Fund to the General Fund is included in the 2022 Adopted Budget. The total General Fund revenue forecast for the 2022 Adopted Budget is \$1,645.9 million, its composition by source is in Figure 8 and Figure 9.

**Figure 8. 2022 Adopted General Fund Revenue Forecast by Source (\$ Millions)**



# Revenue Overview

**Figure 9. General Fund Revenue, 2019 – 2022\*, thousands of dollars**

Account Code	Revenue	2019 Actuals	2020 Actuals	2021 Adopted	2021 Revised	2022 Adopted
311010	Property Tax	268,168	285,216	289,088	292,227	303,789
311010	Property Tax-Medic One Levy	52,568	68,571	67,652	68,273	69,978
313010	Retail Sales Tax	268,955	233,939	252,408	273,395	280,007
313030	Use Tax - Brokered Natural Gas	1,502	894	1,296	1,149	1,137
313040	Retail Sales Tax - Criminal Justice	23,006	21,185	21,542	23,377	23,922
314010	Payroll Expense Tax	0	0	214,284	200,139	
316010	Business & Occupation Tax (100%)	302,682	249,184	263,168	298,232	317,427
316020	Admission Tax	11,384	1,742	5,457	8,351	
	Utilities Business Tax – Private Utilities (100%)	45,631	38,129	41,140	41,409	37,820
316180	Tonnage Tax (100%)	6,426	-2,774	5,983	6,393	6,481
317040	Leasehold Excise Tax	6,091	4,459	5,106	5,756	6,441
317060	Gambling Tax	427	278	260	261	350
317090	Short-term Rental Tax	6,845	0	0	0	0
318100	Sweetened Beverage Tax	24,119	-1,271	0	0	0
318210	Heating Oil Tax	0	0	800	-89	781
318310	Transportation Network Company Tax	0	0	5,022	5,563	9,113
335030	Pleasure Boat Tax	142	129	125	125	125
	<b>Total External Taxes</b>	<b>1,017,947</b>	<b>899,681</b>	<b>1,173,331</b>	<b>1,224,560</b>	<b>1,057,370</b>
316130	Utilities Business Tax - City Light (100%)	57,310	57,850	53,616	56,632	56,175
316140	Utilities Business Tax - City Water (100%)	34,468	34,013	32,792	33,210	35,990
316150	Utilities Business Tax - Drainage/Waste Water (100%)	53,170	54,678	59,797	58,318	62,530
316160	Utilities Business Tax - City SWU (100%)	22,031	30,709	21,020	22,595	23,408
	<b>Total Interfund Taxes</b>	<b>166,979</b>	<b>177,250</b>	<b>167,224</b>	<b>170,755</b>	<b>178,104</b>

\* In the past, 10% of certain tax and fee revenues were shown as revenue to the Parks and Recreation Fund and 90% as General Fund. As of 2009, 100% of these revenues (depicted as “100%” in the table) are deposited into the General Fund. General Fund support to the Department of Parks and Recreation is well above the value of 10% of these revenues.

## Revenue Overview

**Figure 9. General Fund Revenue, 2019 – 2022\*, thousands of dollars, continued**

Account Code	Revenue	2019 Actuals	2020 Actuals	2021 Adopted	2021 Revised	2022 Adopted
321010	Professional & Occupational Licenses (100%)	7,296	3,765	4,264	2,374	2,821
321100	Business License Fees (100%)	17,821	15,737	15,492	16,901	18,048
321900	Marijuana License Fees	452	380	0	379	379
322030	Fire Permits & Fees	7,571	6,031	6,055	5,525	6,947
322040	Street Use Permits	1,227	1,213	1,694	543	2,894
322170	Vehicle Overload Permits	219	188	225	170	190
322200	Other Licenses, Permits & Fees	866	552	95	1,959	4,571
322260	Meter Hood Service	2,735	2,854	3,600	4,050	4,388
322900	Other Non Business Licenses	1,213	608	605	607	872
	<b>Total Licenses</b>	<b>39,400</b>	<b>31,327</b>	<b>32,029</b>	<b>32,507</b>	<b>41,109</b>
331110	Federal Grants - Other	6,427	95,906	5,759	11,654	6,709
331110	Federal Grants - CDBG	0	0	1,080	830	430
333000	Federal Indirect Grants - Other	4,511	3,897	2,377	2,335	1,574
334010	State Grants - Other	4,635	5,748	4,123	5,624	4,123
	<b>Total Federal and State Grants</b>	<b>15,573</b>	<b>105,551</b>	<b>13,340</b>	<b>20,442</b>	<b>12,836</b>
335010	Marijuana Excise Tax	1,410	1,388	1,350	1,350	1,350
335060	Trial Court Improvement Account	152	151	150	150	150
335070	Criminal Justice Assistance	4,085	4,411	4,100	7,139	4,100
335140	Liquor Excise Tax	4,082	4,938	4,000	4,800	4,000
335150	Liquor Board Profits	5,954	5,999	5,950	5,950	5,950
	<b>Total State Entitlements/Impact Programs</b>	<b>15,682</b>	<b>16,887</b>	<b>15,550</b>	<b>19,389</b>	<b>15,550</b>

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**Figure 9. General Fund Revenue, 2019 – 2022\*, thousands of dollars, continued**

Account Code	Revenue	2019 Actuals	2020 Actuals	2021 Adopted	2021 Revised	2022 Adopted
337010	Interlocal Agreement	452	652	143	0	0
341060	Copy Charges	72	45	60	52	30
341180	Legal Services	1,675	1,675	1,700	1,703	3,057
341190	Automated Fingerprint Information System (AFIS)	3,865	4,476	3,926	3,865	4,500
341190	Fire Special Events Services	1,872	510	879	811	1,665
341190	Personnel Services	0	0	1,120	0	0
341220	Animal Shelter Licenses & Fees	2,322	2,068	1,896	1,747	1,943
341220	Other Service Charges - General Government	2,273	2,549	1,327	642	675
341220	Vehicle Towing Revenues	881	688	650	767	822
342010	Law Enforcement Services	12,668	3,875	9,287	8,641	6,952
342050	Adult Probation and Parole	233	102	220	221	221
342120	E-911 Reimbursements & Cellular Tax Revenue	2,822	4,040	2,377	1,619	718
342160	Emergency Alarm Fees	1,743	1,268	935	611	0
	<b>Total External Service Charges</b>	<b>30,878</b>	<b>21,947</b>	<b>24,520</b>	<b>20,679</b>	<b>20,583</b>
342040	Court Fines (100%)	29,323	17,028	22,244	17,533	20,228
350080	Municipal Court Cost Recoveries (100%)	430	118	266	65	200
	<b>Total Court Fines</b>	<b>29,752</b>	<b>17,146</b>	<b>22,510</b>	<b>17,598</b>	<b>20,428</b>
360010	Interest on Investments	3,652	5,290	2,125	2,216	2,216
360130	Other Interest Earnings	6,710	609	375	225	225
360290	Parking Meters	38,298	10,460	9,210	11,323	21,216
360900	Other Revenue	20,527	3,168	1,190	3,873	71,204
	<b>Total Miscellaneous Revenues</b>	<b>69,187</b>	<b>19,528</b>	<b>12,899</b>	<b>17,636</b>	<b>94,860</b>
341900	Interfund Revenue to City Budget Office	1,989	1,881	1,701	1,594	1,595
341900	Interfund Revenue to HR	17,656	21,708	18,979	20,650	19,142
341900	Miscellaneous Interfund Revenue	24,306	23,305	23,563	23,223	24,146
	<b>Total Interfund Charges</b>	<b>43,951</b>	<b>46,895</b>	<b>44,243</b>	<b>45,467</b>	<b>44,882</b>
341900	Transfer from - Utilities for Council Oversight	541	605	778	558	558
397010	Transfer from - Payroll Expense Tax Fund	0	0	0	0	85,355
397010	Transfer from - Other Fund	17,125	50,241	73,020	73,020	74,231
	<b>Total Operating Transfers</b>	<b>17,666</b>	<b>50,846</b>	<b>73,798</b>	<b>73,578</b>	<b>160,144</b>
	<b>Total General Fund</b>	<b>1,447,016</b>	<b>1,387,058</b>	<b>1,579,445</b>	<b>1,642,612</b>	<b>1,645,866</b>

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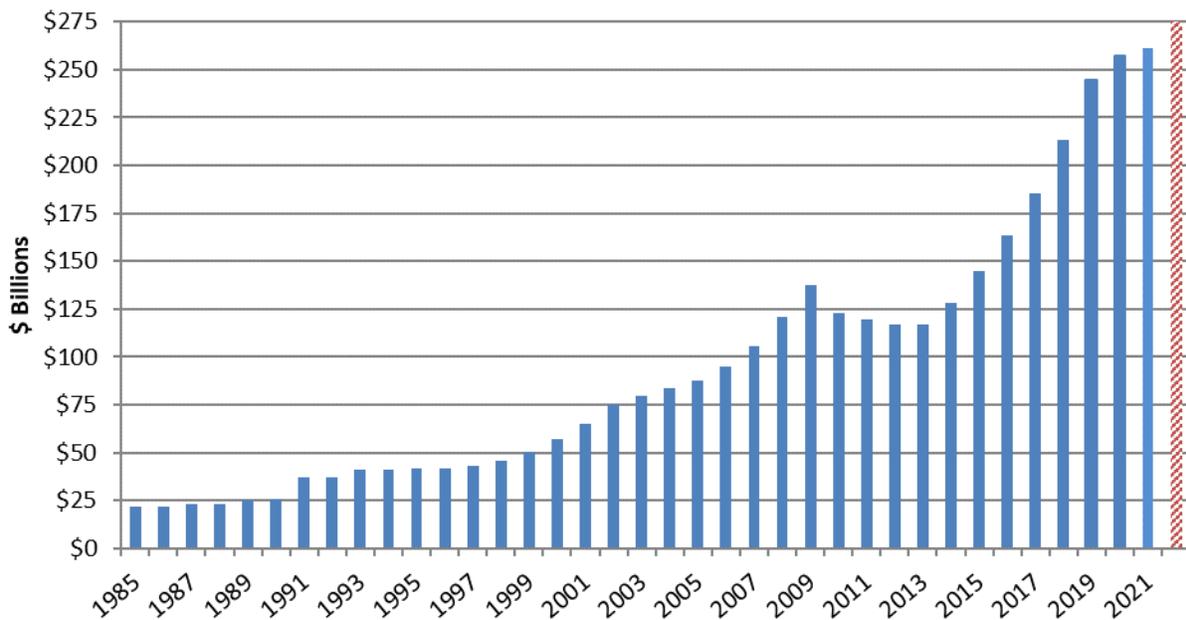
# Revenue Overview

## Property Tax

Property tax is levied primarily on real property owned by individuals and businesses. Real property consists of land and permanent structures, such as houses, offices, and other buildings. In addition, property tax is levied on various types of personal property, primarily business machinery and equipment. Under Washington State law, property taxes are levied by governmental jurisdictions in accordance with annual levy-amount growth and total tax rate limitations.

*Assessed Value (AV)* – Although increasing in total value, Seattle AV growth for the 2021 tax collection year slowed significantly from 14.53% in 2019 to 5.09% in 2020 to 1.63% in 2021. Growth is expected to increase to 5.33% and \$274.9 billion in total value for the 2022 tax collection year, driven largely by increases in residential property values.

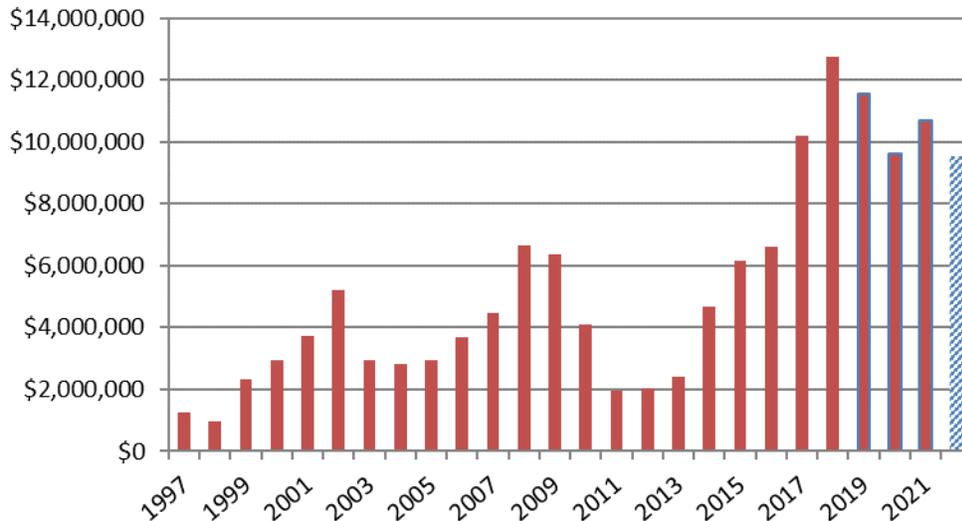
**Figure 10. Seattle Total Assessed Value**



*New Construction* -- In addition to the allowed annual maximum 1% levy growth, state law permits the City to increase its regular levy in the current year by an amount equivalent to the previous year's tax rate times the value of property constructed or remodeled within the last year, as determined by the King County Assessor. The City is receiving \$10.6 million in additional levy revenues from new construction in 2021 based on \$5.00 billion in new construction added to the tax roll. The 2022 Adopted Budget assumes a decrease in new construction value to \$4.4 billion in 2021, generating \$9.5 million in 2022 revenue. This is an increase of \$1.4 million from the 2022 Proposed Budget expectation of \$8.1 million.

# Revenue Overview

**Figure 11. Seattle New Construction Property Tax Revenue**



**The 2022 Proposed Budget assumes 1% growth plus new construction.** The forecast for the 2022 Adopted Budget’s General Fund (General Purpose) portion of the City’s property tax is \$303.7 million. This includes Council changes in the 2022 Adopted Budget from the 2022 Proposed Budget increasing expected revenues by \$1.4 from \$302.3 million. Additionally, the City is levying approximately \$271.4 million for 5 voter-approved lid lifts in 2022. There are no new lid lifts added in 2022 and none expire in 2021. All levy lid lift proceeds are accounted for in other funds than the City’s General Fund. Finally, the City is levying \$16.3 million in 2022 to pay debt service on voter-approved bond measures.

**Seattle Parks District.** In August 2014, voters approved creation of a Metropolitan Park District (MPD). Pursuant to RCW 35.61, the MPD is a legally separate taxing jurisdiction from the City of Seattle, whose property tax levy authority of \$0.75 per \$1,000 assessed value is outside of the City’s statutory rate limit of \$3.60 per \$1,000 assessed value and whose revenues will not be accounted for in the City’s General Fund. The MPD is levying approximately \$56.0 million in 2022.

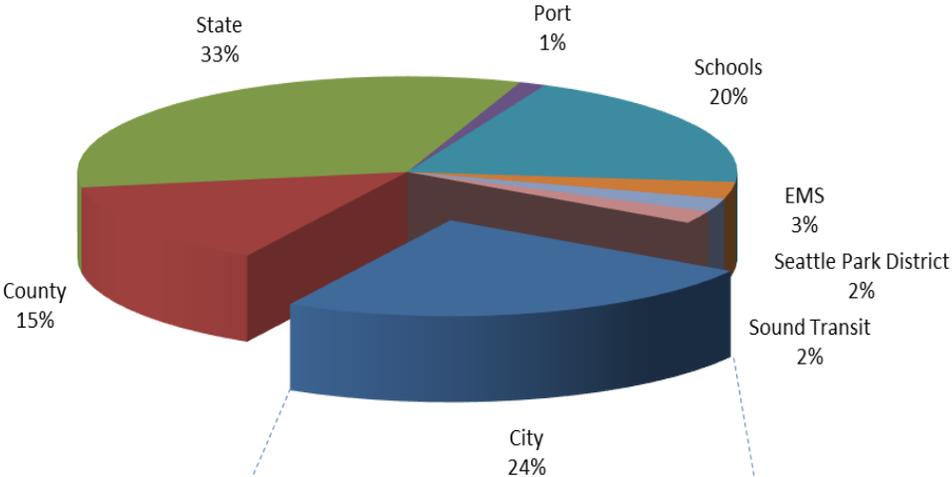
**Medic 1/Emergency Medical Services.** Voters in November 2019 approved a 6-year (2020-2025 collection years) renewal of the Medic 1/EMS levy at \$0.265 per \$1,000 of AV. Seattle’s share of this revenue is based on Seattle’s assessed value multiplied by the County rate. These revenues are recorded in the General Fund and expended by the Seattle Fire Department. This generates \$69.9 million in revenue in 2022.

Figure 12 shows the different jurisdictions whose rates make up the total property tax rate imposed on Seattle property owners, as well as the components of the City’s 2021 property tax.

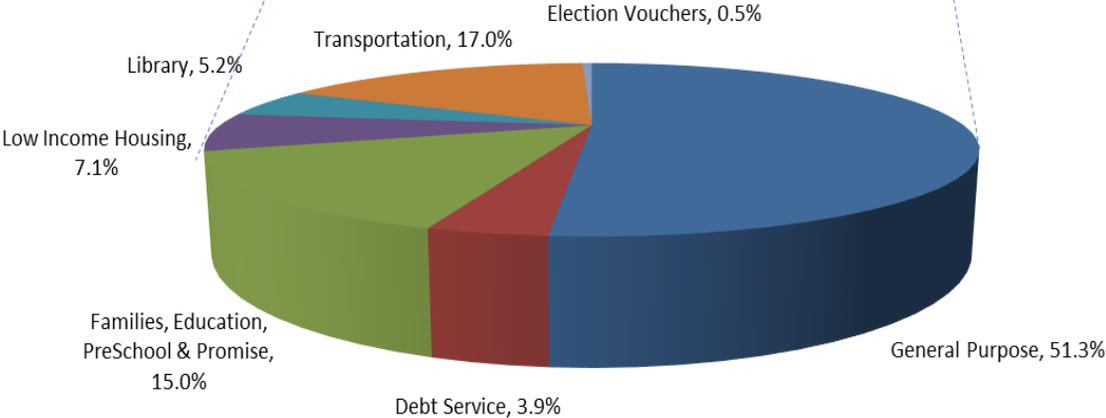
# Revenue Overview

Figure 12.

**Components of Total Property Tax Levy for 2021**  
(tax rate = \$9.31 per \$1,000 assessed value)



**Components of City's Property Tax Levy for 2021**  
(tax rate = \$2.25 per \$1,000 assessed value)



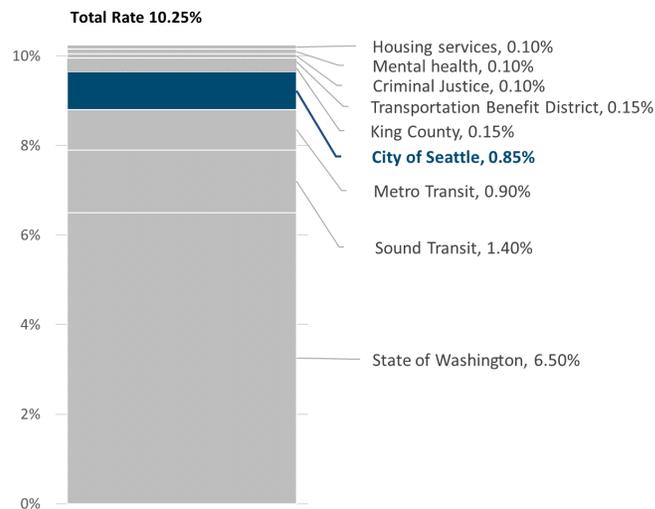
# Revenue Overview

## Retail Sales and Use Tax

The retail sales and use tax (sales tax) is imposed on the sale of most goods and certain services in Seattle. The tax is collected from consumers by businesses which, in turn, remit the tax revenue to the state. The state sends the City its share of the collections each month.

The sales tax rate in Seattle increased from 10.1% to 10.25% on April 1st, 2021 as a result of the new county housing services tax and the increased transportation benefit district rate approved by voters in November 2020. The basic sales tax rate of 10.25% is a composite of separate rates for several jurisdictions as shown in Figure 13. The City of Seattle's portion of the overall rate is 0.85%. In addition, Seattle receives a share of the revenue collected by the 0.1% King County Criminal Justice Levy. Revenue collected by the Seattle Transportation Benefit District is accounted for in a separate fund and is used to make transportation improvements in Seattle.

**Figure 13. Sales and Use Tax Rates in Seattle**



Of the City's four major taxes, the sales tax is the most volatile because it is the most sensitive to changing economic conditions. Over half of sales tax revenue comes from retail trade and construction activities, which are very sensitive to changing economic conditions.

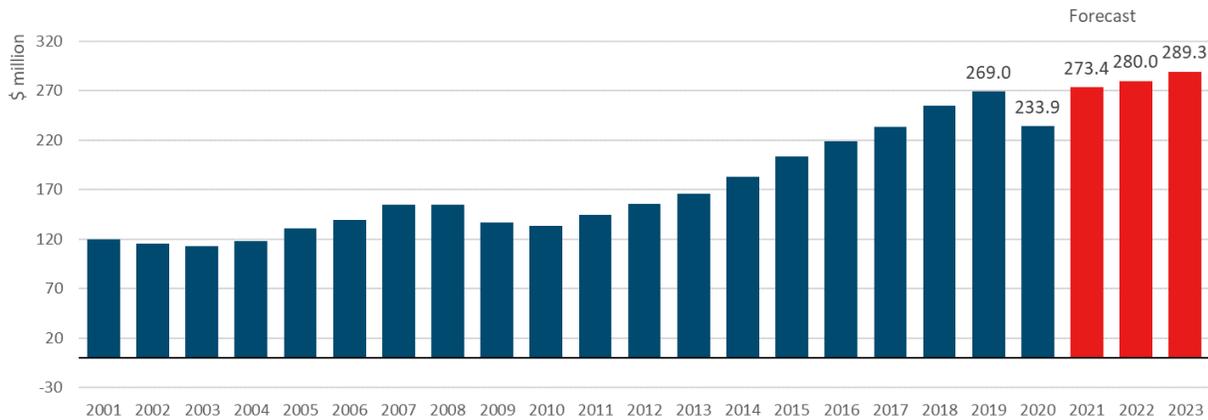
Seattle's sales tax base grew rapidly in the late 1990s, driven by a strong national economy, expansion at Boeing in 1996-1997, and the stock market and technology booms. The recession that followed the bursting of the stock market bubble and the September 11, 2001 terrorist attacks ushered in three successive years of declining revenue. This was followed by four years of healthy growth, 2004–2007, led by a surge in construction activity. That expansion ended in 2008 with the onset of the Great Recession, which caused the largest contraction in the sales tax base in more than 40 years. In a period of five quarters beginning with the third quarter 2008, the sales tax base shrunk by 18.2%. The decline was led by a steep drop in construction along with falling sales in almost every industry.

After hitting bottom in 2010, Seattle's sales tax base has rebounded strongly, with construction leading the way. Other fast-growing industries include motor vehicle and parts retailing, e-commerce retailing, professional, scientific and technical services, accommodation, and food services. Over the 2011-2018 period sales tax revenue increased at an average rate of 8.4% per year.

# Revenue Overview

Sales tax revenue fell 13.0% in 2020. The biggest decline took place in tax revenue from leisure and hospitality services which fell by 60.5%. Construction sector revenue declined by 10.8%, but trade services just by 0.2% thanks to online sales. Revenue from the rest of the industries was lower by 7.3%. As fiscal stimulus fuels consumer spending, sales tax revenue is expected to recover in 2021 and reach \$273.4 million, which is about \$4.4 million or 1.7% above the 2019 level.

**Figure 14. Retail Sales Tax Revenue**



Source: Washington State Department of Revenue, Seattle City Budget Office

## Business and Occupation Tax

Seattle’s principal business tax is the business and occupation (B&O) tax, levied on the gross receipts of most business activity that takes place in the city. Small businesses with taxable gross receipts below \$100,000 are exempt from the tax. Between January 1, 2008 and January 1, 2016, the City’s B&O tax also included a square footage tax that was complementary to the gross receipts tax. The square footage tax was implemented to offset an expected revenue loss from state mandated changes in the allocation and apportionment of B&O income.

The City levies the gross receipts tax at different rates on different types of business activity, as indicated in Figure 15. Most types of business activity, including manufacturing, retailing, wholesaling, and printing and publishing, are subject to a tax of 0.222% on taxable gross receipts. Services and transporting freight for hire are taxed at a rate of 0.427%. In 2017 and 2018, the City increased B&O tax rates to the maximum allowed under state law. In addition, the special 0.15% rate for international investment management services was eliminated on January 1, 2017.

**Figure 15. Seattle Business and Occupation Tax Rates, 2016 – 2020**

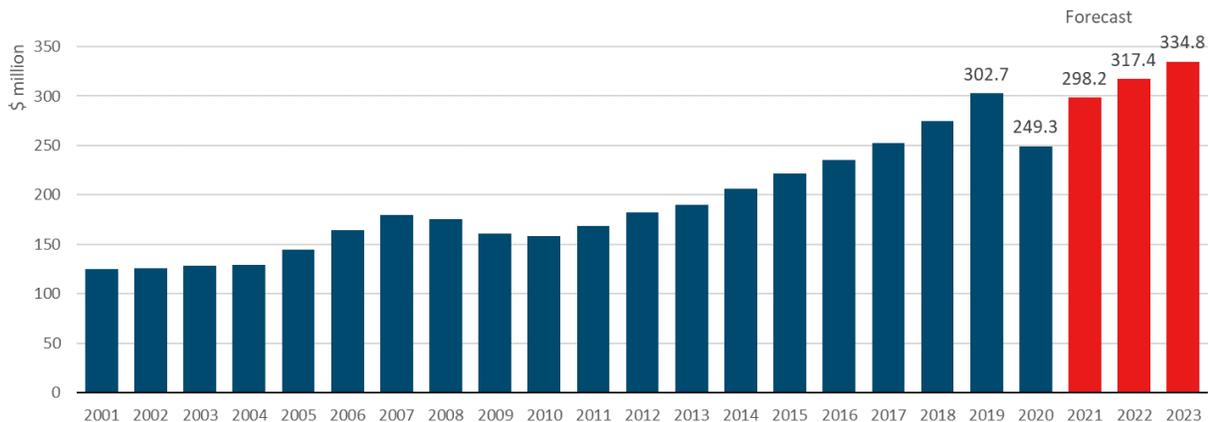
	2016	2017	2018-present
Wholesaling, Retail Sales and Services	0.215%	0.219%	0.222%
Manufacturing, extracting	0.215%	0.219%	0.222%
Printing, publishing	0.215%	0.219%	0.222%
Service, other	0.415%	0.423%	0.427%
International investment management	0.150%	NA	NA

# Revenue Overview

Other things being equal, the B&O tax base is more stable than the retail sales tax base. The B&O base is broader than the sales tax base, which does not cover most services. In addition, the B&O tax is less reliant than the sales tax on the relatively volatile construction and retail trade sectors, and it is more dependent upon the relatively stable service sector.

B&O receipts have fluctuated with the economy’s ups-and-downs, rising rapidly during the late-1990s stock market and dot-com boom and the housing bubble of the mid-2000s, going flat from 2001–2004 during the previous decade’s first recession, and falling sharply during the Great Recession. During the Great Recession, the B&O tax base lost 16.8% of its value between first quarter 2008 and second quarter 2010.

**Figure 16. B&O Tax Revenue**



Source: Seattle City Budget Office

B&O tax revenue has grown at a healthy pace during the recovery from the Great Recession. Over the 2011-2018 period, revenue increased on average at a 7.2% annual rate. Growth was weak in 2013 because of a drop in revenue from audit activity and an increase in refund payments, not because of a weakening of tax base growth. Industries growing rapidly during the recovery have been construction, information, real estate, management of companies and enterprises, food services, and accommodation.

B&O revenue payments fell 17.6% in 2020. The leisure and hospitality sector was the biggest contributor to total B&O revenue decline, accounting for 26.4% of the drop in payments for the 2020 obligation year. Professional and business services accounted for an additional 22.9% of the drop, trade 16.9% and construction 12.3%. B&O tax revenue from information services increased by 6.3% and offset some of the loss. In addition to the negative effects of the pandemic, revenue dropped as a result of HB 1059, which changes the due date for annual payments from January 31 to April 15 beginning with 2020 obligations. January and February payments were accrued to 2020, but April and May payments accrued to 2021. Just like sales and use tax, B&O revenue is expected to recover in 2021. Payments for the first two quarters of 2021 are just 0.94% lower than payments from the same period in 2019, with strong information and financial services sectors countered by slight declines in leisure and hospitality and to a smaller extent professional and business services.

# Revenue Overview

## Utility Business Tax - Private Utilities

The City levies a tax on the gross income derived from sales of utility services by privately owned utilities within Seattle. These services include telephone, steam, cable communications, natural gas, and refuse collection for businesses.

**Natural gas prices remain low.** The City levies a 6% utility business tax on gross sales of natural gas and on sales of steam which has natural gas as an energy source. The bulk of revenue from the natural gas tax is received from Puget Sound Energy (PSE). PSE's natural gas rates are approved by the Washington Utilities and Transportation Commission (WUTC). Another tax is levied on consumers of gas delivered by private brokers. It is also assessed at 6% on gross sales. Spot prices, those paid for delivery in the following month, continue to be low. Temperatures play a key role in gas related revenues and are inversely related to natural gas usage and subsequent tax receipts.

**Telecommunications tax revenues continue to decline.** The utility business tax is levied on the gross income of telecommunication firms at a rate of 6%. Revenue from traditional land-line services has been on a steady decline. This was counteracted by the increasing prevalence of mobile/wireless phones. While new smartphone users have added to the wireless tax revenue base, the increased use of data and internet services which are not taxable have caused declines in the revenue streams.

As more and more wireless phone users are using the devices for data transmission instead of voice or text applications, and telecom companies change their rate plans to respond to this consumer behavior, the City may continue to see tax revenue declines. Some recent court decisions have altered what types of wireless phone calls the City can tax; the City may no longer assess a tax on interstate and international phone calls. There are continued pressures on this revenue stream.

**Cutting the cord is affecting Cable Tax revenues.** The City has franchise agreements with cable television companies operating in Seattle. Under the current agreements, the City levies a 10% utility tax on the gross subscriber revenues of cable TV operators, which accounts for about 90% of the operators' total revenue. The City also collects B&O taxes on miscellaneous revenues not subject to the utility tax. The imposition of a 4.4% franchise fee makes funds available for cable-related public access purposes. This franchise fee is deposited into the City's Cable Television Franchise Fund. Cable revenues have been declining year over year for some time. Increased competition from satellite and streaming services appear to be taking customers away from traditional cable providers. That is expected to continue and will be a drag on revenues.

## Utility Business Tax - Public Utilities

The City levies a tax on most revenue from retail sales collected by City-owned utilities (Seattle City Light and Seattle Public Utilities). Tax rates range from a State-capped 6% on City Light up to a current 15.54% on the City Water utility. The COVID-induced recession is having a small impact on commercial revenues for the utilities, while residential usage is resilient. The 2022 Adopted Budget assumes moderate growth in usage and utility rates yielding an approximately 4.0% growth in 2022 for all public utility revenues compared to 2021 revised expectations, to a combined \$177.7 million. This includes Council changes in the 2022 Adopted Budget from the 2022 Proposed Budget reducing expected Water utility revenues by \$911,000 from \$34.1 million to \$33.2 million and increasing Sewer utility revenues by \$520,000 from \$57.8 million to \$58.3 million.

# Revenue Overview

## Other Notable Taxes

**Admission Tax.** The City imposes a 5% tax on admission charges to most Seattle entertainment events, the maximum allowed by state statute. This revenue source is highly sensitive to swings in attendance at events and is dependent on economic conditions, as people's ability to spend money on entertainment is influenced by the general prosperity in the region. The COVID-19 pandemic has almost completely wiped out admissions tax revenue in 2020. Full recovery is expected by 2022, aided by the revenue generated by the new Climate Pledge Arena. Beginning in 2022, all admissions tax revenues will be receipted into the Arts & Culture Fund. The Office of Arts and Culture section of this document provides further detail on the office's use of Arts Account revenue from the admission tax and the implementation of this change.

**New Heating Oil Tax delayed.** Effective September 1, 2020, Council imposed a \$0.236 per gallon tax on heating oil service providers for every gallon of heating oil sold and delivered within Seattle. In consideration of the pandemic's effects on households and businesses, Council delayed implementation until September 1, 2021 and then further delayed until April 1, 2022. This tax is estimated to generate approximately \$780,000 in 2022. The revenues primarily support low-income household oil furnace conversion programs administered by the Office of Sustainability and Environment.

**New Transportation Network Company Tax.** In November 2019, Council approved a tax on transportation network companies (TNC), such as Uber and Lyft, effective July 1, 2020. As approved, the tax of \$0.57 per trip is owed for all rides originating in Seattle by TNC's with more than 1 million rides per calendar quarter. Council has reduced the ride threshold to 200,000 rides per quarter effective in October 2020. The first proceeds are not expected until the first quarter of 2021. This tax is estimated to raise \$5.5 million in 2021 and \$9.1 million in 2022.

## Licenses and Permits

The City requires individuals and companies conducting business in Seattle to obtain a City business license. In addition, some business activities, such as taxi cabs and security systems, require additional licenses referred to as professional and occupational licenses. The City also assesses fees for public-safety purposes and charges a variety of fees for the use of public facilities and rights-of-way.

In 2005 the City instituted a two-tier business license fee structure. The cost of a license, which had been \$80 per year for all businesses, was raised to \$90 for businesses with worldwide revenues of more than \$20,000 per year and lowered to \$45 for businesses with worldwide revenues less than \$20,000 per year. The City increased the fees for 2015 license renewals to \$110 and \$55, respectively. To provide funding for additional police officers, a new business license fee structure took effect for 2017 licenses. Fees increased for businesses that have a taxable income (reported for B&O tax purposes) greater than \$500,000. Fees for all other businesses remain at 2016 levels until 2020. Fee increases were being phased in over a three-year period, 2017–2019, and will increase with inflation annually thereafter.

# Revenue Overview

Figure 17. Business License Fee Schedule, 2016 – 2021

Taxable income	2016*	2017	2018	2019	2020	2021	2022
Less than \$20,000	\$55	\$55	\$55	\$55	\$56	\$56	\$59
\$20,000 - \$500,000	\$110	\$110	\$110	\$110	\$113	\$114	\$120
\$500,000 - \$2 mil.	\$110	\$480	\$480	\$500	\$511	\$515	\$543
\$2 mil. - \$5 mil.	\$110	\$1,000	\$1,000	\$1,200	\$1,227	\$1,238	\$1,306
More than \$5 mil.	\$110	\$1,000	\$2,000	\$2,400	\$2,455	\$2,476	\$2,613

\*2016 fee is based on worldwide gross income, not taxable income.

## Parking Meters/Traffic Permits

As part of the overall response to the Corona virus, the City suspended on-street parking rates as of April 4, 2020. On July 13 the system was restarted with rates set at \$0.50 per hour and are anticipated to increase gradually at intervals as occupancy levels increase with the recovery into 2021 and 2022. Overall, 2020 revenue losses, relative to 2019 Actuals were about \$28 million, falling from \$38.3 million to \$10.4 million. 2021 revenues are anticipated to increase slightly to \$11.3 million, then more substantially in 2022 to \$21.2 million as rates continue to rise in response to greater demand for on street parking. In response to the updated forecast, Council increased 2022 Adopted Budget parking meter revenues \$1.8 million from the 2022 Proposed Budget of \$19.3 million.

**Street Use and Traffic Permits.** Traffic-related permit fees, such as meter hood service, commercial vehicle load zone, truck overload, gross weight and other permits are tied to construction and trade services primarily. These revenues are projected to increase modestly as service work returns more fully in 2021 and 2022 but construction activity slows. The 2022 Adopted Budget assumes revenues of approximately \$4.8 million in 2021 and \$7.4 million in 2022.

## Court Fines

Typically, between 50% and 60% of court fine revenues collected by the Seattle Municipal Court are from parking citations written by Seattle Police Department parking enforcement (PEOs) and traffic officers. Fines from photo enforcement in selected intersections and school zones now comprise approximately 35-45% of revenues and 5-10% comes from traffic and other non-parking related citations.

Total 2022 General Fund court fines and fees revenues are projected at \$20.2 million in 2022, and \$17.5 million in 2021, up from \$17.0 million in 2020. Previous forecast in the 2022 Proposed Budget was for total court fines and fees revenues of \$26.7 million in 2022 and \$24.7 in 2021. Of this total, red-light camera enforcement revenues (i.e., non-school zone cameras) are anticipated to be \$3.9 million in 2022. The 2020 red-light camera revenue is fully recognized in the General Fund. Beginning in 2021 the City will again direct 20% of red-light camera revenues to the School Safety Traffic and Pedestrian Improvement (SSTPI) Fund after Council suspended this transfer for 2018-20. These transfer amounts into the SSTPI Fund are estimated at \$940,000 in 2021 and \$984,000 in 2022. Non-camera fine revenues are projected at approximately \$15.9 million in 2022, which is an increase from expected 2021 revenues of \$13.5 million.

The 2022 Adopted Budget includes revenues from 3 new school zone speeding enforcement cameras active for the fall 2021 term. This is a downward revision from previous plans to install 10 new cameras

# Revenue Overview

at 6 schools effective January 2021. The 2022 Proposed Budget did not include any additional cameras or revenue in 2021 or 2022 and forecast 2022 revenues at \$10.6 million and 2021 revenues at \$5.4 million. Council increased revenues in the 2022 Adopted Budget to \$6.9 million in 2021 and \$14.2 million in 2022. School zone camera revenues are accounted for in the School Safety Traffic and Pedestrian Improvement (SSTPI) Fund.

## Interest Income

Through investment of the City's cash pool in accordance with state law and the City's own financial policies, the General Fund receives interest and investment earnings on cash balances attributable to several of the City's funds that are affiliated with general government activities. Many other City funds are independent, retaining their own interest and investment earnings. Interest and investment income to the General Fund varies widely, subject to significant fluctuations in cash balances and changes in earnings rates dictated by economic and financial market conditions. Rates are projected to increase gradually coming out of the current period as the economy stabilizes and the Federal Reserve tapers off its actions in response to the recession. This revenue will remain reduced at about \$2.2 million in 2021 and 2022.

## Revenue from Other Public Entities

***Washington State shares revenues with Seattle.*** The State of Washington distributes a portion of tax and fee revenue directly to cities. Specifically, portions of revenues from the State General Fund, liquor receipts (both profits and excise taxes), and motor vehicle fuel excise taxes, are allocated directly to cities. Revenues from motor vehicle fuel excise taxes are dedicated to street maintenance expenditures and are deposited into the City's Transportation Fund. Revenues from the other taxes are deposited into the City's General Fund.

***Criminal Justice revenues.*** The City receives funding from the State for criminal justice programs. The State provides these distributions out of its General Fund. These revenues are allocated on the basis of population and crime rates relative to statewide averages. These revenues have been affected by State budget changes in the recent past and, while not expected, could be affected in future budgets out of Olympia.

***Marijuana related revenues are being shared with local jurisdictions.*** As part of the State's 2016 budget, marijuana related tax revenues are being shared with local jurisdictions for public safety purposes. The state has adopted a complicated allocation of these revenues, but in general only those cities in counties that have legalized marijuana sales will receive excise tax distributions based on both their jurisdictions proportion of marijuana related sales as well as a per capita basis. Because this is a relatively new revenue stream with a growing tax base, the forecast is imprecise.

***State budget restores liquor related revenues to cities.*** Cities in the state of Washington typically receive two liquor related revenues from the State. One is related to the liquor excise tax on sales of spirits and the other is a share in the State Liquor and Cannabis Board's profits accrued from the operation from their monopoly on spirits sales. The State no longer holds the monopoly in liquor sales in the state due to the passing of Initiative 1183 in November of 2011. The initiative guaranteed the cities would continue to receive distributions in an amount equal to or greater than what they received from liquor board profits prior to the implementation of the initiative as well as an additional \$10 million to be shared annually. There was no guarantee concerning liquor excise taxes. In recent budgets the State

# Revenue Overview

has eliminated, on a temporary basis, the sharing of liquor excise taxes. The most recent State budget has restored fully the excise tax funding to cities.

## Service Charges and Reimbursements

**Internal service charges reflect current administrative structure.** In 1993, the City Council adopted a resolution directing the City to allocate a portion of central service expenses of the General Fund to City utilities and certain other departments not supported by the General Fund. The intent is to allocate a fair share of the costs of centralized general government services to the budgets of departments supported by revenues that are largely self-determined. These allocations are executed in the form of payments to the General Fund from these independently supported departments. More details about these cost allocations and methods are detailed in the Cost Allocation section of this budget.

## Interfund Transfers

**Interfund transfers.** Occasionally, transfers from departments to the General Fund take place to pay for specific programs that would ordinarily be executed by a general government department or to capture existing unreserved fund balances. A detailed list of these transfers is included in the General Fund revenue table. This includes the transfer of school zone camera revenues described under Court Fines above.

## Cumulative Reserve Fund – Real Estate Excise Tax

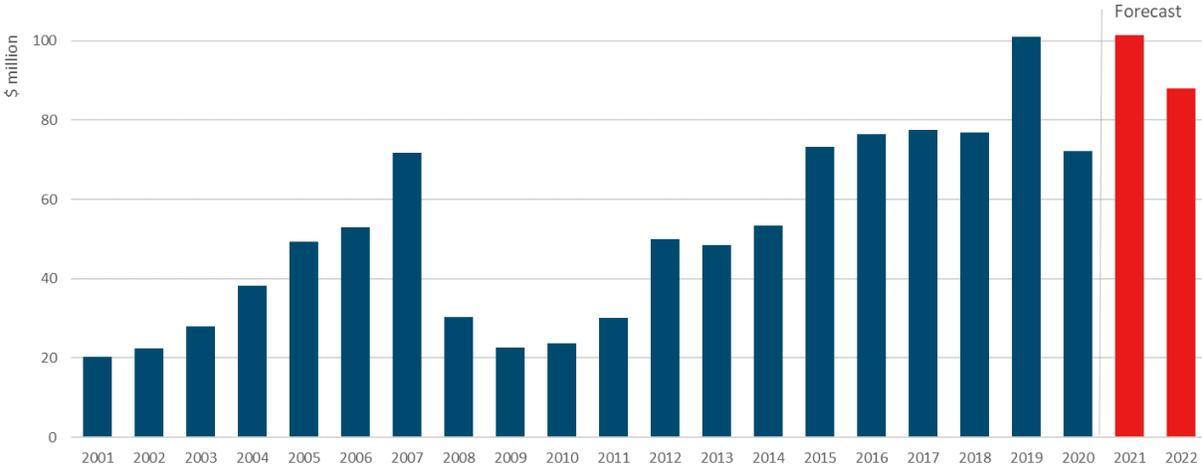
Cumulative Reserve Fund resources are used primarily for the maintenance and development of City general government capital facilities. These purposes are supported mainly by revenues from the Real Estate Excise Tax (REET), but also, to a lesser degree, by the proceeds from certain property sales and rents, street vacation revenues, General Fund transfers, and interest earnings on fund balances.

The REET is levied by the City at a rate of 0.5% on sales of real estate measured by the full selling price. Because the tax is levied on transactions, the amount of revenue that the City receives from REET is determined by both the volume and value of transactions.

REET revenue spiked in 2019, as sellers, particularly those of large real estate, rushed to close sales before the scheduled increase in state tax rates in January 2020. This, and the increased uncertainty brought about by the pandemic, led to a large drop in 2020 revenue from real estate valued above \$10 million. But in 2021 a number of large properties were sold again, together with rising home prices and the generally high residential sales, this led to a significant upward revision of the REET forecast. The Adopted Budget anticipates \$101.5 million in revenue in 2021 followed by \$88.0 million in 2022 as the housing market begins to cool.

# Revenue Overview

Figure 18. REET Revenues



# Revenue Overview

## Sweetened Beverage Tax Fund

On June 5, 2017, the City Council approved the Sweetened Beverage Tax (SBT) effective January 1, 2018. Distributors of sweetened beverages are liable for the tax of \$0.0175 per fluid ounce of sweetened beverage distributed into the city of Seattle for final sale to the consumer. Sweetened beverages include sodas, energy drinks, sweetened juices and teas, sport drinks and ready-to-drink coffee drinks. The 2022 Proposed Budget included revenues of \$22.3 million in 2022 and \$20.7 million in 2021. Based on the November forecast, Council reduces these amounts in the 2022 Adopted budget to \$20.38 million in 2022 and \$18.2 million in 2021. Although restaurant consumption is anticipated to increase somewhat in 2021 and further in 2022, this growth has proven slower than previously anticipated. The City received \$15.6 million in 2020 and \$24.1 million in 2019. Revenues will be used to fund educational and food access programs primarily through the Department of Education and Early Learning (DEEL), the Human Services Department (HSD) and the Office of Sustainability and Environment (OSE). Beginning in 2020 these revenues and associated expenditures are moved from the General Fund to the Sweetened Beverage Tax Fund in the City's accounting system.

## Short-Term Rental Tax Fund

Effective January 1, 2019, the State legislature authorized the public facilities district that is the Washington State Trade and Convention Center to impose a 7% tax on the sale of or charge made for the furnishing of lodging (including but not limited to any short-term rental). The proceeds generated from short-term rental charges in Seattle are distributed to the City of Seattle to support community-initiated equitable development and affordable housing programs. These revenues have been severely affected by the significant reduction in travel due to COVID-19 concerns. Under general expectations of a gradual reopening of travel and tourism, the 2022 Adopted Budget assumes 2021 and 2022 revenues of \$7.2 million and \$9.8 million respectively. Beginning in 2020 these revenues and associated expenditures are moved from the General Fund to the Short-Term Rental Tax Fund in the City's accounting system.

## JumpStart Payroll Expense Tax Fund

On July 6, 2020 the City Council approved the Payroll Expense Tax (PET) effective January 1, 2021. The tax is on businesses with \$7 million or higher Seattle payroll expense in the prior year. The tax rates are tiered according to the size of the businesses payroll (less than \$100 million/\$100 million to less than \$1 billion/\$1 billion or more) and the employee's compensation (less than \$150,000/\$150,000 to less than \$400,000/\$400,000 or more). Tax rates range from 0% for employees with annual compensation less than \$150,000, regardless of the size of the business' overall payroll, to 2.4% for employees with annual compensation of \$400,000 or more, working in businesses with total payroll of \$1 billion or greater. For 2021, businesses will consolidate quarterly filing information and report and pay on a single tax return due January 31, 2022. For 2022 and going forward the PET will be reported and paid on a quarterly basis. The 2022 Adopted Budget anticipates 2021 revenues of \$200.1 million and \$233.9 million in 2022. This is a new tax and these estimates are uncertain due to the lack of available data on where individuals work and what their compensation is. Estimates should improve over time as businesses adjust to paying the tax and the data improve. Beginning in 2022 the PET revenues and associated expenditures are moved from the General Fund to the JumpStart Payroll Expense Tax Fund in the City's accounting system.

# Revenue Overview

**Figure 19. Seattle City Tax Rates**

	2017	2018	2019	2020	2021
<b>Property Taxes (Dollars per \$1,000 of Assessed Value)</b>					
General Property Tax	\$1.35	\$1.25	\$1.13	\$1.12	\$1.16
Families & Education	0.18	0.16	0.16	0.34	0.34
Parks and Open Space					
Low Income Housing	0.22	0.19	0.19	0.16	0.16
Transportation	0.52	0.45	0.45	0.38	0.38
Pike Place Market					
Library	0.09	0.08	0.08	0.12	0.12
Pre-School For All	0.08	0.07			
Election Vouchers	0.02	0.01	0.01	0.01	0.01
City Excess GO Bond	0.16	0.14	0.14	0.09	0.09
<b>Other Property Taxes related to the City</b>					
Seattle Park District	0.28	0.23	0.23	0.21	0.21
Emergency Medical Services	0.26	0.24	0.24	0.26	0.26
<b>Retail Sales and Use Tax</b>					
	0.85%	0.85%	0.85%	0.85%	0.85%
<b>Transportation Benefit District Sales and Use Tax</b>					
	0.10%	0.10%	0.10%	0.10%	0.15%
<b>Business and Occupation Tax</b>					
Retail/Wholesale	0.219%	0.222%	0.222%	0.222%	0.222%
Manufacturing/Extracting	0.219%	0.222%	0.222%	0.222%	0.222%
Printing/Publishing	0.219%	0.222%	0.222%	0.222%	0.222%
Service, other	0.423%	0.427%	0.427%	0.427%	0.427%
International Finance					
<b>City of Seattle Public Utility Business Taxes</b>					
City Light	6.00%	6.00%	6.00%	6.00%	6.00%
City Water	15.54%	15.54%	15.54%	15.54%	15.54%
City Drainage	11.50%	11.50%	11.50%	11.50%	11.50%
City Wastewater	12.00%	12.00%	12.00%	12.00%	12.00%
City Solid Waste*	14.20%	14.20%	14.20%	14.20%	14.20%
<b>City of Seattle Private Utility B&amp;O Tax Rates</b>					
Cable Communications (not franchise fee)	10.00%	10.00%	10.00%	10.00%	10.00%
Telephone	6.00%	6.00%	6.00%	6.00%	6.00%
Natural Gas	6.00%	6.00%	6.00%	6.00%	6.00%
Steam	6.00%	6.00%	6.00%	6.00%	6.00%
Commercial Solid Waste*	14.20%	14.20%	14.20%	14.20%	14.20%
<b>Other Taxes</b>					
Admissions	5.00%	5.00%	5.00%	5.00%	5.00%
Amusement Games (less prizes)	2.00%	2.00%	2.00%	2.00%	2.00%
Bingo (less prizes)	10.00%	10.00%	10.00%	10.00%	10.00%
Punchcards/Pulltabs	5.00%	5.00%	5.00%	5.00%	5.00%
Cable Franchise Fee	4.40%	4.40%	4.40%	4.40%	4.40%
Fire Arms Tax (Dollars per weapon)	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Ammunition Tax (Dollars per round)	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Sweetened Beverage Tax (Dollars per fluid ounce)		\$0.0175	\$0.0175	\$0.0175	\$0.0175

\*Increase effective April 1, 2017