

SUPPLEMENT TO 2020 ADOPTED BUDGET BOOK

Transportation Network Company (TNC) Tax

Overview

On September 19, 2019, Mayor Jenny A. Durkan announced a proposed tax on rides with Transportation Network Companies (TNCs) that originate in the City of Seattle. Proceeds from the tax, scheduled to go into effect on July 1, 2020, will be used to fund a variety of investments in affordable housing, transportation including transit, and a series of measures designed to support TNC drivers.

Legislation submitted with the 2020 Proposed Budget exacts the tax, adopts a spending plan for the proceeds, appropriates 2020 revenues, and enacts driver protections. The financial impacts are summarized below. The City Council passed this legislation in November 2019.

Revenue

If the TNC tax goes into effect on July 1, 2020 as planned, it is estimated to generate \$8,876,817 of General Fund revenue in the half-year of collection in 2020. Estimates for future years are found in the chart below.

Year	2020 (half-year)	2021	2022	2023	2024	2025
Est. Revenue	\$8,876,817	\$19,911,013	\$21,930,203	\$23,055,560	\$23,891,715	\$24,757,506

Appropriations

Before the tax is implemented, the Department of Finance and Administrative Services (FAS) will work to set up the accounting and tax infrastructure necessary to implement and enforce the tax beginning July 1, 2020. The department will receive \$1,546,000 in appropriations.

The City Council appropriated \$3,350,000 to the Seattle Department of Transportation (SDOT) for various projects in the 2020 Adopted Budget. The remainder of the 2020 funds (\$3,980,817) are appropriated into Finance General, which is a mechanism to hold appropriations temporarily. It is anticipated that those funds will be moved from Finance General into the Office of Housing and the Office of Labor Standards in the first half of 2020.

2020 – Revenues and Appropriations

\$8,876,817 – Revenue to General Fund (00100) – Finance General

\$1,546,000 – Appropriations to Department of Finance and Administrative Services

\$1,365,370 to General Fund (00100) – City Finance Budget Summary Level (BO-FA-CITYFINANCE)

\$180,630 to General fund (00100) – Regulatory Compliance and Consumer Protection BSL (BO-FA-RCCP)

\$3,980,817 to General Fund (00100) – Reserves Budget Summary Level (BO-FG-2QD00)

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\$3,350,000 to Seattle Department of Transportation

\$300,000 to SDOT Transportation Equity Agenda (XX-XX-XXXX)

\$150,000 to SDOT Public Life Study of Capitol Hill (XX-XX-XXXX)

\$350,000 to SDOT Home Zone Program (XX-XX-XXXX)

\$400,000 to SDOT Market to MOHAI CIP Project (MC-TR-C095)

\$1,250,000 to SDOT Thomas Street Redefined CIP Project (MC-TR-C105)

\$400,000 to SDOT Fortson Square Redesign CIP Project (MC-TR-C104)

\$500,000 to SDOT West Marginal Way Safe Street and Accessibility Improvements CIP project (MC-TR-

C103)