

## Seattle Rule 5-005

### Time payments.

- (1) **Time payments authorized.** All payments of taxes imposed under Title 5 of the Seattle Municipal Code are due and payable in accordance with the provisions contained therein. Payment of the full amount of tax, penalties, and interest due may be made in separate installments only when all of the following conditions are met:
- (a) The taxpayer has made a good faith response to a debit note, demand letter, audit assessment or other request by the Director for payment prior to the taxpayers request for partial payment; or the taxpayers failure to respond is the result of events beyond the control of the taxpayer, as determined by the Director;
  - (b) The taxpayer has made a written request to pay all amounts due on a payment schedule; and
  - (c) The taxpayer agrees that the full amount of the tax, penalties and interest is due, including additional penalties that may become due as the case may be, as well as interest accruing until the date of final payment (see paragraph (3), below), and waives his or her right to contest the validity of the tax.
- (2) **Time payment agreements.** If the Director determines that a taxpayer meets all of the conditions in subsection (1) of this rule, the Director, for good cause, may enter into a time payment agreement with the taxpayer. The agreement shall be made on a form or in a format provided by the Department, and shall contain the following:
- (a) The principal amount of business license tax certificate fees, tax, penalties, and interest to be financed;
  - (b) The date that the debt is to be fully paid, which in no case shall exceed two years measured from the date of first payment to the date of last payment (generally, the term is one year);
  - (c) The amount of each periodic payment;
  - (d) The due date of each periodic payment;
  - (e) A waiver of the taxpayers right to contest the validity of the tax;
  - (f) A statement by the taxpayer that he or she will remain current with post-agreement tax obligations; and
  - (g) Any other terms and conditions that the Director considers reasonably necessary to effectuate collection of the tax.

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- (3) **Interest and penalties.** Interest shall continue to accrue on the unpaid balance of any time payment agreement at the rate set forth in SMC 5.55.090 until paid in full. Scheduled payments received late are subject to additional penalties as set forth in SMC 5.55.110. Interest shall be calculated on the tax liability only.
- (4) **Application of payments.** The Director in all cases shall apply payments first against all business license tax certificate fees, then against penalties, then against accrued interest, and finally upon the tax.
- (5) **Default.** The time payment agreement shall automatically terminate and the remaining balance of fees, taxes, penalties, and interest shall become immediately due and payable if the taxpayer defaults on his or her time payment agreement by:
  - (a) Failing to timely make any scheduled payment in accordance with the payment schedule; or
  - (b) Failing to timely and fully pay any other obligation due the Department when and as they become due.

DIRECTOR'S CERTIFICATION

I, Glen M. Lee, Finance Director of the City of Seattle, do hereby certify under penalty of perjury of law, that the within and foregoing is a true and correct copy as adopted by the City of Seattle, Department of Finance and Administrative Services.

DATED this \_\_\_\_ day of July 2016.

CITY OF SEATTLE,

a Washington municipality

By: \_\_\_\_\_

Glen M. Lee, Finance Director

Department of Finance and Administrative Services

Effective date: July 14, 2016

Jul 14, 2016

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