



Seattle Tax Advisory Group

Date: Tuesday, March 1, 2022
10:00 am

Location: WebEx Meeting

Attendees:

Mark Watterson, Tax Audit Manager, City of Seattle
Joseph Cunha, City Tax Administrator, City of Seattle
Brian Collins, Tax Policy Analyst, City of Seattle

Tarah McLaughlin, Indirect Tax Compliance, Amazon
Sonjia Barker, Partner, BDO USA, LLP
Dan Robillard, Director U.S. Indirect Tax, Inc., Expedia
Marsha McLean, State & Local Tax Compliance Manager, Weyerhaeuser

Minutes:

Payroll Expense Tax

- **New for 2022**
 - SMC 5.38.070 provides for a CPI linked inflation adjustment for the amount of the dollar thresholds in SMC 5.38.030 (tax imposed) and the amount of the exemption in SMC 5.38.040.A.1 (prior year payroll expense).
 - The FAQs on our website has the specific details
 - Starting in 2022, the payroll expense tax will be due and payable on a quarterly installment basis.
- Next Training Webinar is March 16
 - Webinars will continue through June as long as we have interest

Cases that we are monitoring.

- Seattle Chamber of Commerce v. City of Seattle – The Chamber has appealed the trial courts determination and all Appellate briefs have been filed.
 - The case most likely will be heard in the 2nd quarter of 2022
- Sound Inpatient v. City of Tacoma – At issue, in this case, is the service income of the taxpayer prior to 2020.
 - The hearing examiner determined that SIP had not met its burden of proof and was not entitled to its refund.
 - Superior Court reversed the hearing examiner determination
 - Appeal was heard in December and we are monitoring for the decision

2022 Washington State Legislative Session

- SB 5554 – Allowing cities to imposing income tax: This bill is dead in Committee
- SHB 1732 – Delaying the Long-term Care Program bill was signed by the Gov Jan 27, 2022
- HB 2076 –TNC obligations & WA State TNC Tax passed in the House and has been referred to the Senate Ways & Means Committee.

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- If the bill passes in the Senate and is signed by the Governor, the City's TNC tax rate will be reduced from \$0.57 to \$0.42
- SHB 2099 – imposing interest on tax payments: Passed in the House
- SHB 2018 – Sales tax holiday: Passed in the House

Open Items

- Return to the Office – City of Seattle is still working remotely but may return in a hybrid model March 16
 - Expedia – Returns to the office April 4 with a hybrid model
 - Weyerhaeuser – Returns to the office April 18 with a hybrid model
- PET ACH Credits – Mark has elevated the request to pay the PET with ACH Credits to the programmer for consideration
- Forecast Council – The Economic and Revenue Forecast Council has its first meeting Friday, March 4, 2022, at 12:30 PM.
 - 2021 PET tax collection numbers will be announced in this meeting