



# Seattle Tax Advisory Group

**Date:** Tuesday, December 5, 2023  
10:00 am

**Location:** Microsoft Teams

## **Attendees:**

Joseph Cunha, Tax Administrator, City of Seattle

Mark Watterson, Tax Audit Manager, City of Seattle

Kevin Guichon, Tax Policy Analyst, City of Seattle

Tarah McLaughlin, Director, State & Local Tax, Amazon

Stephanie Gilfeather, Director U.S. Indirect Tax, Inc., Expedia

Marsha McLean, State & Local Tax Compliance Manager, Weyerhaeuser

## **Minutes:**

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### **1. Welcome / Introductions**

-n/a-

### **2. 2023 Session Legislation—E2SSB 5199 – Printing/Publishing Newspapers-Model Ordinance Changes and Related Ordinance**

- The Seattle City Council passed an ordinance that codifies the state law requirement that cities that have business license taxes must source income derived from the activities of printing or publishing newspapers, periodicals, or magazines to the place where the business is managed.
- E2SSB 5199 also amended the definition of the activities of printing or publishing newspapers, periodicals, or magazines such that online only businesses that reported state B&O tax in the printing and publishing tax classification on Jan. 1, 2008, qualify for the state tax exemption/preferential rate.
- The City of Seattle has not adopted the state B&O tax exemption that now applies to qualifying activities of printing or publishing newspapers or the preferential B&O tax rate that applies to the activities of printing or publishing periodicals or magazines.

### **3. Extension of payroll expense tax deduction for qualified non-profit healthcare entities**

- Effective Jan. 2, 2024, the Seattle City Council amended the Payroll Expense Tax ordinance to extend the non-profit healthcare entity deduction to Dec. 31, 2026.
- Commencing Jan. 1, 2024, the legislation also applied a CPI based inflation adjustment to the annual employee salary thresholds used to calculate the non-profit healthcare entity deduction.

**4. Payroll Expense tax rate changes**

- Effective Jan. 2, 2024, the Seattle City Council passed an ordinance that increased the Payroll Expense Tax rates.
- The Office of City Finance will publish the 2024 Payroll Expense Tax rates on its website and provide the new tax rate information to TAG members.
- The council declared its intention that the revenue raised by the Payroll Expense Tax rate increase raise \$20 million to fund Seattle public school mental health counseling.

**5. Payroll Expense Tax Q4 Return and Reconciliation Worksheet**

- On its website the city has published the Payroll Expense Tax 2023 quarterly filing form and 2023 Q4 reconciliation or “true-up” worksheet. [Payroll expense tax - City Finance | seattle.gov](https://www.seattle.gov/city-finance/payroll-expense-tax)

**6. Open items / questions**

-n/a-