



Seattle Tax Advisory Group

Date: Tuesday, March 10, 2026
10:00 am

Location: Microsoft Teams

Attendees:

Joseph Cunha, Tax Administrator, City of Seattle
Holly Paige, Director, U.S. Tax, Russell Investments
Marsha McLean, State & Local Tax Compliance Manager, Weyerhaeuser
Brian Aragon, JD, LL.M., Senior Manager, State and Local Tax, Amazon
Elvina Tong, Director Int'l Indirect Tax, Starbucks
Mark Watterson, Tax Audit Manager, City of Seattle
Kevin Guichon, Tax Policy Analyst, City of Seattle
Eric Ng, Senior Manager, Global Indirect Tax, Starbucks
Arcadia Corbett, Senior Manager, Global Indirect Tax, Expedia Group
Tarah McGlaughlin, Director, State & Local Tax, Amazon

Minutes:

1. Welcome and Introductions

Dwight Dively, Acting Director of City Finance, introduced himself to the Tax Advisory Group.

2. Seattle Shield B&O Tax Changes Update

Mark Watterson

- On March 25, 2026, the city will present the Seattle Shield B&O Tax Changes training.
- As of March 10, 2026, approximately 250 persons have registered for the Seattle Shield B&O Tax Changes training.

Joseph Cunha

- The city has developed specific guidance to businesses who report gross income under the manufacturing classification who also report gross income under the retail or wholesale sales classification in the city. The guidance provides information to businesses regarding how to apply the \$2 million standard deduction if they are eligible to take the multiple activities tax credit (MATC).

3. City update on Retail Sales definition changes under SB 5814

Mark Watterson

- On its website and the AWC website, we have published sourcing guidance for income derived from the services reclassified to retail.

Joseph Cunha

- Like the State of Washington, the city will allow businesses with qualifying existing contracts to continue to report income derived from the reclassified activities under the service classification until April 1, 2026.

4. Social Housing Tax Update

Mark Watterson

- On January 21, 2026, City Finance completed a Social Housing Tax training session online.
- On January 31, 2026, returns for the Social Housing Tax were due for tax year 2025. In 2026, businesses will file and pay the Social Housing Tax on a quarterly basis.

Joseph Cunha

- With respect to Social Housing Tax collections applicable to tax year 2025, the city collected approximately \$135 million.

5. Open items/questions

Kevin Guichon

- 2026 Washington State Legislative Session Update
 - City Finance continues to monitor bills pending before the legislature:
 - ESSB 6346-state income tax
 - Includes language that, effective Jan. 1, 2029, reverts the service activities that were reclassified to retail back to the service classification, with the exception of advertising services.
 - Effective Jan. 1, 2029, ESSB 6346 reinstates the following exclusions to the definition of a digital automated service:
 1. Primarily human effort
 2. Live presentations and
 3. Data processing services
 - Includes amendments to the definition of retail sale.
 - ESSB 6113-Washington State Department of Revenue tax cleanup bill
 - Contains a number of clarifications to the definitions of service activities reclassified to retail sales.