



Seattle Tax Advisory Group

Date: Tuesday, December 3rd, 2019 10:00 am

Location: Seattle Municipal Tower (700 Fifth Avenue)
40th Floor—Conference Room 4096

Attendees:

Mark Watterson, Tax Audit Manager, City of Seattle

Joseph Cunha, City Tax Administrator, City of Seattle

Kevin Fitzpatrick, FileLocal Program Manager, City of Seattle

Brian Collins, Tax Policy Analyst, City of Seattle

Tarah McLaughlin, Indirect Tax Compliance, Amazon

Minutes:

FileLocal Update. An update on FileLocal progress was given. Kevin reviewed the Seattle sign up metrics and 90% of the users that initial sign up in FileLocal complete the process and go on to file returns. Overall, 70% of users that complete email validation file first tax return in FileLocal. YTD license attachment and license renewal are higher than expected.

Seattle Apportionment and new rules. New rules were submitted to the director for finalization from the November 19th Rules Hearing and will be finalized later this week.

- Seattle Rule 5-047 – Changes were made as part of HB 1403 and include a change in the definition of customer location, hierarchy of assignment, a definition of “commercial domicile,” a definition of “not taxable” and examples regarding the exclusion of income. This rule follows the Model Rule created by members of the Association of Washington Cities. TAG members were invited to the stakeholder meetings on the Model Rule for comments.
- Seattle Rule 5-002 – The rule was updated to addback four sections that were inadvertently omitted during the February update of this rule. The examples were moved to the end of the rule for simplicity and consistency with other rules.
- Seattle Rule 5-006 – The rule was updated for annual return due dates are changed pursuant to HB 1059 to extend the city B&O tax return filing due date for annual filers until April 30. The rule was also updated to provide guidance concerning rule extensions requests as clarity was sought by FAS Operations.
- Seattle Rule 5-032 – This rule is the measure of the tax for Service and Other Business Activities. Changes were made as part of HB 1403 and added updates point to Rule 5-047 for tax periods beginning January 1, 2020.
- Seattle Rule 5-045 – Changes were made as part of HB 1403 and added updates point to Rule 5-047 for tax periods beginning January 1, 2020. This rule mainly contains the square footage tax for 2012 through 2015.

Heating Oil Tax and TNC Tax.

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- As part of the Green New Deal, Seattle has passed a new law to support phasing out the use of heating oil by 2028. The heating oil tax will start September 2020 with reporting in October 2020. The heating oil tax is \$0.236 per gallon of heating oil sold at retail.
- As part of the Fare Share plan, Seattle has passed a new law imposing an additional \$0.51 per ride charge on transportation network companies providing 1,000,000 rides per quarter or more. The new TNC tax shall take effect on July 1, 2020.

Administrative.

- Brian will send out dates for 2020 TAG meetings.
- Marsha McLean from Weyerhaeuser was added to the TAG.