



## Seattle Tax Advisory Group

### September Meeting Minutes:

**Date:** December 8, 2015

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

### Attending Members:

Glen Lee, City Finance Director

Rachel Le Mieux, Partner, Peterson Sullivan LLP

Joseph Cunha, Tax Administrator, City of Seattle

Mark Watterson, Tax Audit Manager

Damian Hunt, Senior Tax Manager, Amazon

### **Legislative Update**

**Beginning January 1, 2016 Square Footage Tax No Longer in Effect.** The City Council and the Mayor signed off on the Budget which included a provision for eliminating the square footage tax beginning January 1, 2016. For more information, see Ordinance 124910.

**Change to the City of Seattle Licensing and Tax Titles.** The City of Seattle will be moving the Business License to Title 6, a regulatory title. This is essentially some “house cleaning” in regards to the municipal code. The City is seeing more regulatory responsibilities and moving the business license to the regulatory Title 6 aligns the business license with regulatory goals. The movement of the license to Title 6 is not related to any tax code changes. The CB 118596 will be voted on Monday, December 14, 2015 and no issues in passing are anticipated. Going forward, Seattle businesses will see a Business License Tax Certificate issued to them with an endorsement for the Business License.

**Admissions Tax.** A change has been made to the admissions tax code that concerns the non-profit exemption and the live music exemption. Change to the non-profit exemption concerns the ability for non-profits that meet the exemption status retroactively. Any admissions tax in the retroactive periods that was collected will still need to be remitted and the City will not refund any admissions tax already remitted to the City prior to the issuance of the exemption certificate for non-profits. See Ordinance 124903.

A change to the live music exemption creates a second tier for the size of the venue. A new venue size with capacity of 500 persons or fewer was created with new requirements to help smaller venues obtain an exemption from the admission tax. See Ordinance 124902.

### **Update – FileLocal Project**

Seattle and Tacoma are now launched and we have over 200 users signed up in FileLocal. Filings continue to grow with each quarterly filing for Seattle and Tacoma. Bellevue and Everett will launch early 2016 – more challenges with resources and connecting their systems of record to FileLocal but they are nearing the finish.

**Combined Voluntary Disclosure Update**

The City of Seattle continues to work with other Cities on some form of a combined voluntary disclosure program. The City provided that for the time being, it may try to work with MRSC or AWC to have information on voluntary disclosure programs offered by other Cities available to businesses. This would at least provide businesses one place to determine which cities do offer a voluntary disclosure program and the details of the program offered by a particular city.

**Service Apportionment Income Factor Discussion**

The City continues to work on developing guidelines for businesses in regards to the income factor and documentation to support the sourcing of service receipts. The City will be asking for other cities to take part in a work group to assist in creating such guidelines.

**Next Steps**

- a. City will continue to develop a multi-city voluntary disclosure program and update the TAG on the progress.
- b. City will put together educational guidelines on acceptable documentation to support customer location.
- c. The City will be planning for the Tax Advisory Group meeting dates and times for 2016. Tax Advisory Group members can expect emails in the near future regarding possible future meeting dates and times.