



City of Bellevue

# Business & Occupation Tax Code Update

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September 7, 2021



# Direction

Tonight, staff will present a series of administrative B&O tax code changes to provide clarity and consistency for businesses. Staff seeks direction to return on an upcoming consent calendar with appropriate legislation to amend the code accordingly.

# AGENDA



Background



Overview of Proposed Updates



Outreach



Direction

# Background

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- City has a B&O gross receipts tax which complies with the state model ordinance.
- City has a separate square footage tax, which was implemented in 1977.
- Both regularly updated as needed.
- Last major update to the square footage tax occurred in 2012.
- Model Ordinance is updated as directed by the state.

# 2012 B&O Tax Guiding Principles

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- To maintain a taxpayer-friendly environment
- To simplify Bellevue tax code
- To simplify the administration of the City's tax
- To gain consistency with other taxing jurisdictions where possible

# Overview of Proposed Changes

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- 2012 Update:
  - Council directed “Edit the code reference to tangible personal property to acknowledge digital goods and intangibles.”
  - In application, the code update did not carry the concept of digital goods throughout the code in the most consistent manner
  - Some taxpayer confusion

# Overview Continued...

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- Code Update:
  - To sections 4.09.050, .090, and .100 to note “digital goods”; and to ensure consistency with model ordinance
  - Aligns with long standing practice and establishes consistency throughout the code
  - No change to tax rates, taxing approach, or guiding principles

# Overview Continued...

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- 4.09.077(F):
  - Add the effective date to comport with language of the model ordinance. Scrivener's error.
- 4.09.090(I):
  - Change verbiage to be consistent with the model ordinance and RCW 48.14.020(5), which prohibits cities from taxing insurance producers.
- 4.09.100(N):
  - Change verbiage to be consistent with actual title of the section.



# Outreach

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- Posted on the city's tax site on August 13 through August 31
- Approximately 1400 email notifications
- Received 1 response noting a grammatical error in our posting
- No other comments received.



# Direction

Staff seeks direction to return on an upcoming consent calendar with appropriate legislation to amend the code accordingly.