

ORDINANCE NO. XXXX

**AN ORDINANCE OF THE CITY OF SNOQUALMIE,
WASHINGTON AMENDING SECTION 5.04.050 OF THE
SNOQUALMIE MUNICIPAL CODE, TO INCREASE THE
BUSINESS AND OCCUPATION TAX FROM 0.15 PERCENT
TO 0.2 PERCENT; PROVIDING FOR SEVERABILITY; AND
ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the City of Snoqualmie requires a business license and imposes a business and occupation tax on the value of products, gross proceeds of sales, or gross income, as the case may be, of persons engaging in business in the city pursuant to existing section 5.04 of the Snoqualmie Municipal Code (SMC); and

WHEREAS, SMC 5.040.050 levies a tax of fifteen one-hundredths of one percent (0.15%) upon gross proceeds of sale, gross income of business, or value of products for non-utility businesses and persons engaging in business activities within the City; and

WHEREAS, Section 35.21.710 of the Revised Code of Washington (RCW) establishes a maximum B&O tax rate of twenty one-hundredths of one percent (0.2%) upon business activities consisting of the making of retail sales of tangible personal property, which are measured by gross receipts or gross income from such sales; and

WHEREAS, the City Council has determined that it is in the best interests of the City to increase revenues available to fund City operations by increasing the B&O tax rate to the full amount allowed by state law;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Snoqualmie as follows:

Section 1. Findings. The City Council hereby adopts and incorporates by reference the above recitals as findings in support of this Ordinance.

Section 2. Amendment of SMC 5.040.050(A). Section 5.040.050(A) SMC, is hereby amended to read as follows:

A. Except as provided in subsection B of this section, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the city, whether the person's office or place of business be within or without the city. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

1. Upon every person engaging within the city in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the city for sale or for commercial or industrial use, multiplied by the rate of ~~twenty~~fifteen one-hundredths of one percent (multiplier of 0.00~~245~~). The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

2. Upon every person engaging within the city in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured within the city, multiplied by the rate of ~~twenty~~fifteen one-hundredths of one percent (multiplier of 0.00~~245~~). The measure of the tax is the value of the products, including by-products, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

3. Upon every person engaging within the city in the business of making sales at wholesale, except persons taxable under subsection (A)(5) of this section; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of ~~twentyfive~~ one-hundredths of one percent (multiplier of 0.00~~25~~).

4. Upon every person engaging within the city in the business of making sales at retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business, without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of ~~twentyfive~~ one-hundredths of one percent (multiplier of 0.00~~25~~).

5. Upon every person engaging within the city in the business of (a) printing, (b) both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items, (c) publishing newspapers, magazines and periodicals, (d) extracting for hire, and (e) processing for hire; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of ~~twentyfive~~ one-hundredths of one percent (multiplier of 0.00~~25~~).

6. Upon every person engaging within the city in the business of making sales of retail services; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of ~~twentyfive~~ one-hundredths of one percent (multiplier of 0.00~~25~~).

7. Upon every other person engaging within the city in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of ~~twentyfifteen~~ one-hundredths of one percent (multiplier of 0.002~~15~~). This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing or producing custom software or of customizing canned software, producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

Section 3. Effective Date. This Ordinance shall take effect five days after its passage and publication as provided by law.

Section 4. Severability. If any portion of this ordinance is found to be invalid or unenforceable for any reason, such finding shall not affect the validity or enforceability of any other section of this ordinance.

Section 5. Corrections by the City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations, or ordinance numbering and section/subsection numbering.

PASSED by the Council of the City of Snoqualmie, Washington at a regular meeting thereof and

APPROVED by the Mayor of the City of Snoqualmie on this 8th day of January 2024.

Katherine Ross, Mayor

ATTEST:

APPROVED AS TO FORM:

Deana Dean, City Clerk

David Linehan, Interim City Attorney