

TO: City Council
FROM: Troy Niemeyer, Finance Director
DATE: September 16, 2025
SUBJECT: Ordinance No. O2025-013 B&O Tax Model Ordinance Update

1) Recommended Action:

Adopt Ordinance O2025-013 B&O Tax Model Ordinance Update, amending City Code 5.07.070 to remain compliant with the state model ordinance requirements.

2) Background:

The state legislature has changed the B&O tax model ordinance. This change increases the dollar amount of sales that trigger Tumwater business license fee requirements, in favor of the businesses. This change adopts the standard language of the model ordinance to maintain compliance with state law.

3) Policy Support:

Be fiscally responsible and develop sustainable financial strategies.

4) Alternatives:

☐ n/a

5) Fiscal Notes:

The City may collect less money in license fees from some smaller businesses and businesses located outside the City of Tumwater, but it should not have a significant impact on overall license revenue.

6) Attachments:

A. Ordinance O2025-013