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Finance Committee

Briefing on Business License and Business & Occupation Tax Threshold

Agenda Date: 4/26/2018
Agenda Item Number: 6.B
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Title

Briefing on Business License and Business & Occupation Tax Threshold

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive the information. Briefing only; No action requested.

Report

Issue:

Whether to receive a briefing on Business License and Business & Occupation (B&O) Tax Threshold.

Staff Contact:

Thomas Donnelly, Accounting Supervisor, Administrative Services Department 360.570.3816

Presenter(s):

Thomas Donnelly, Accounting Supervisor, Administrative Services Department

Background and Analysis:

Staff will present an overview of the Business License threshold requirements related to House Bill 2005, requiring cities and the Association of Washington Cities (AWC) to develop threshold recommendations. The City of Olympia will have to adopt required changes by January 1, 2019. The changes will establish standard language for the municipal code and a minimum threshold for businesses not physically located within the City. The minimum estimated financial impact to the General Fund is a reduction to business license revenues of \$45,000, based on applying the threshold to all businesses.

Staff will present an overview of the Business and Occupation (B&O) Taxes and the estimated financial impacts of changing the current threshold of \$20,000, as well as present revenue neutral options and the number of business affected.

Neighborhood/Community Interests (if known):

None noted.

Options

- 1) Provide direction to staff for further research.
- 2) No change to B&O threshold.

Financial Impact:

N/A

Attachments:

None