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Finance Committee

Recommendation to Adjust the Business & Occupation (B&O) Tax Code

Agenda Date: 10/25/2018
Agenda Item Number: 6.B
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Title

Recommendation to Adjust the Business & Occupation (B&O) Tax Code

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to forward to full Council for consideration the adjustments to the Business & Occupation (B&O) Tax rates, thresholds, and incentives.

Report

Issue:

Whether to forward to full Council for consideration the adjustments to the Business & Occupation (B&O) Tax rates, thresholds, and incentives.

Staff Contact:

Mike Reid, Economic Development Director, Community Planning and Development 360.753.8591
Debbie Sullivan, Director, Administrative Services 360.753.8499

Presenter(s):

Mike Reid, Economic Development Director, Community Planning and Development Debbie Sullivan, Director, Administrative Services

Background and Analysis:

On August 15, staff presented a proposal to adjust to the B&O Tax code to increase the threshold amount, develop two economic development incentives or exemptions, and increase the Retail Service rate to be in alignment with surrounding jurisdictions. Finance Committee approved advancing the B&O Tax Update with the caveat that they would like to hear from the business community about the proposed changes. Staff has engaged in stakeholder outreach and will be presenting feedback and proposed modifications.

Neighborhood/Community Interests (if known):

None noted.

Options

1. Move to recommend and forward to Council the proposed B&O Tax Threshold increase, inclusion of two incentive programs, and change the Retail Services classification rate.
2. Decline the recommendation to forward to Council the proposed B&O Tax Threshold increase, inclusion of two incentive programs, and change the Retail Services classification rate.

Financial Impact:

N/A

Attachments:

Business and Occupation Tax Update Flyer