



Finance Committee

Discussion of the Impact of Deferring 2020 Business & Occupation (B&O) and Parking and Business Improvement (PBIA) Payments

Agenda Date: 4/1/2020
Agenda Item Number: 6.C
File Number:20-0302

Type: discussion **Version:** 1 **Status:** Filed

Title

Discussion of the Impact of Deferring 2020 Business & Occupation (B&O) and Parking and Business Improvement (PBIA) Payments

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Discuss the impact of deferring 2020 B&O and Parking and Business Improvement Payments.

Report

Issue:

Whether to discuss the impact of deferring 2020 B&O and Parking & Business Improvement Payments.

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.756.8499

Presenter(s):

Nanci Lien, Fiscal Services Director, Administrative Services
Debbie Sullivan Administrative Services Director

Background and Analysis:

On March 15, 2020, the Governor ordered the closing of all sit-down restaurants and bars and banned gatherings of 50 or more statewide, in response to the coronavirus (COVID-19) pandemic. Then on March 23, the Governor issued a statewide order to stay-at-home and stay healthy to help slow the spread of the coronavirus. This resulted in additional businesses closing if they weren't defined as "essential."

To provide support and flexibility to local businesses during this period of financial duress, City Council announced on March 24 that local businesses can defer their 2020 Business & Occupation (B & O) first quarterly tax filings and payments. Filings and taxes normally due at the end of April will

now be due on July 31.

Council also announced that downtown businesses can defer paying their Parking & Business Improvement Area (PBIA) assessments until July 31. PBIA assessments are paid by downtown business owners. The revenue collected from the PBIA funds activities that will enhance the experience of visitors, residents and business owners.

Council stated they will continue to assess the economic situation and will adjust B&O tax filings and payments as well as the PBIA assessments, if necessary.

Staff will present information on how deferring B&O payments could impact 2020 General Fund Revenue, and discuss the financial and potential service impacts to the PBIA.

Neighborhood/Community Interests (if known):

Deferring B&O tax payments and Downtown PBIA assessments will provide flexibility and support to over 900 businesses in Olympia.

Options:

Information only.

Financial Impact:

Revenue from B&O taxes comprises approximately 8 percent of the City's General Fund Revenue; or \$6.7 million in 2020. Average revenue from first quarter B&O for the last two years has averaged about \$1.27 million.

The PBIA assessment were originally due in February. There is still \$40,050 in outstanding assessment.

Attachments:

None