



**CITY OF BURIEN
AGENDA BILL**

Agenda Subject: Adoption of Ordinance No. 518, relating to Monthly Remittance of Utility Taxes		Meeting Date: August 17, 2009
Department: Finance	Draft Attachments: 1. <u>Proposed Ordinance No. 518</u>	Fund Source: N/A
Contact: Tabatha Miller		Activity Cost: N/A
Telephone: (206) 439-3150		Amount Budgeted: N/A Unencumbered Budget Authority: N/A
Adopted Work Plan Priority: Yes No X	Work Plan Item Description: N/A	
PURPOSE/REQUIRED ACTION: The purpose of this agenda item is for the Council to adopt Proposed Ordinance No. 518 amending the Burien Municipal Code (BMC) to allow utility tax taxpayers with less than \$2,500 in estimated gross income on sales and service within the City in a quarter, to file and remit utility taxes quarterly instead of monthly, and allow taxpayers with less than \$1,500 in estimated gross income on sales and services within the City in a year, to file and remit utility taxes annually, instead of monthly or quarterly.		
BACKGROUND (Include prior Council action & discussion): The City Council adopted Ordinance No. 343, on December 3, 2001 and the utility taxes were imposed the following year on electricity, natural gas, telephone service, cable television and solid waste. The BMC currently requires each and every utility provider subject to utility taxes to remit a return and payment monthly. With the exception of telephone service the utility taxes are collected and remitted by a primary or secondary utility company with a monopoly or significant portion of the utility market in Burien. However, telephone services, including "Cellular telephone service", "Competitive telephone service" and "Pager services" operate in a deregulated competitive and sometimes mobile environment. The result is many providers with diverse portions of the market. For telephone type services, monthly remittances range from as little as \$.02 to over \$20,000, depending on the provider and its market share. The taxpayers' costs associated with gathering the information, completing the tax form, requesting and processing the check, then mailing the check arguable exceeds \$35. Similarly, there is a cost to Burien to open the remittance, process, deposit, then track and record the same. Recognizing these costs, staff recommends amending the BMC, to allow taxpayers with less than \$2,500 in estimated gross quarterly income on sales and service within the City to file quarterly instead of monthly, and taxpayers with less than \$1,500 in estimated gross annual income to file once a year, thereby reducing the processing cost to the taxpayer and to the City. The Council discussed this matter at its August 3, 2009 meeting; following its consideration, it directed staff to place Ordinance No. 518 on the August 17, 2009 Consent Agenda.		
OPTIONS (Including fiscal impacts): N/A		
Administrative Recommendation: Adopt Ordinance No. 518.		
Committee Recommendation: N/A		
Advisory Board Recommendation: N/A		
Suggested Motion: Motion to adopt the Consent Agenda will adopt Ordinance No. 518.		
Submitted by: Administration 	City Manager 	
Today's Date: August 10, 2009	File Code: R:\CC\Agenda Bill 2009\081709ad-2 Utility Tax Filing.docx	

CITY OF BURIEN, WASHINGTON

ORDINANCE NO. 518

**AN ORDINANCE OF THE CITY OF BURIEN, WASHINGTON,
RELATING TO THE MONTHLY REMITTANCE OF UTILITY
TAXES IMPOSED BY SECTION 3.12.040 OF THE BURIEN
MUNICIPAL CODE, AMENDING SECTION 3.12.070 PROVIDING
FOR REMITTANCE AND PAYMENT ON A MONTHLY BASIS
REGARDLESS OF THE AMOUNT OWED. AND ESTABLISHING AN
EFFECTIVE DATE**

WHEREAS, Section 3.12.070 of the Burien Municipal Code provides that the utility tax imposed by section 3.12.040 is due and payable in monthly installments on or before the last day of each month; and

WHEREAS, many utility taxpayers remit less than twenty five dollars per month and the costs associated with a taxpayer completing a tax return, processing a check for payment of utility taxes, and mailing both, exceed the amount of utility taxes remitted; and

WHEREAS, there is a cost associated with city staff receipting and process monthly utility tax returns; and

WHEREAS, providing a dollar amount threshold to filing utility tax returns would save the taxpayer and the city such costs;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BURIEN, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Amending Section 3.12.070 BMC (Monthly installments). Section 3.12.070 of the Burien Municipal Code is hereby amended to read as follows:

The tax imposed by BMC 3.12.040 shall be due and payable in monthly installments, and remittance therefore shall be made on or before the last day of the month following the end of the monthly period in which the tax is accrued. Unless the estimated gross income subject to the tax is less two thousand five hundred dollars per three-month quarter, in which case the taxpayer may elect to pay quarterly for the preceding three-month period, on or before the thirty-first day of January, the thirtieth day of April, the thirty-first day of July, and the thirty-first day of October, at the office of the city clerk, Burien City Hall, or his or her designee. Furthermore, if the estimated gross income subject to the tax is less than one thousand five hundred dollars annually, the taxpayer may elect to pay annually for the preceding twelve-month period, on or before the thirty-first day of January. On or before said due date, the taxpayer shall file with the city manager

a written return upon such form and setting forth such information as the city manager shall reasonably require relating to the accurate computation and collection of this tax, together with the payment of the amount.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on September 30, 2009.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE _____ DAY OF _____, 2009, AND SIGNED IN AUTHENTICATION OF ITS PASSAGE THIS _____ DAY OF _____, 2009.

CITY OF BURIEN

Joan McGilton, Mayor

ATTEST/AUTHENTICATED:

Monica Lusk, City Clerk

Approved as to form:

Christopher Bacha, Interim City Attorney
Kenyon Disend, PLLC

Filed with the City Clerk: July 28, 2009

Passed by the City Council:

Ordinance No. 518

Date of Publication: