

Comparison of Deviations from Core Model Ordinance Provisions – City of Tukwila

B&O TAX PROVISION:	Summary of Changes from Model B&O Tax Guidelines:	
	Includes discretionary provisions for the following as suggested in the Model Guidelines:	Includes discretionary provisions for the following (not included in the Model Guidelines):
3.26.050 Imposition of the tax – Tax or fee levied	<p><i>Tax rates for the following classifications (tax rates are discretionary):</i> Extracting: 0.085% (0.00085) Manufacturing: 0.085% (0.00085) Printing or Publishing: 0.085% (0.00085) Processing for Hire or Extracting for Hire: 0.085% (0.00085) Retailing: 0.05% (0.0005) Retail Service: 0.05% (0.0005) Service & Other Activities: 0.085% (0.00085)</p> <p><i>Gross receipts threshold:</i> The gross receipts tax shall not apply to any person whose gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the City during any calendar year is equal to or less than \$750,000.</p>	
3.26.090 Exemptions	<p><i>Exemptions are included for the following:</i></p> <ul style="list-style-type: none"> • Nonprofit organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code, except retail sales. • Adult family homes. • Health maintenance organization, health care service contractor, certified health plan. • International banking facilities. • Ride sharing. • Credit unions. • Farmers – Agriculture. 	<p><i>Exemptions are included for the following:</i></p> <ul style="list-style-type: none"> • Businesses operating as a public card room. • Amateur/Professional/Semi-Professional sports teams operating in the city. • Gross receipts subject to Tukwila gambling tax. • Real estate brokers and associated brokers, agents, or salesmen.

	<ul style="list-style-type: none"> • Certain corporations furnishing aid and relief. • Certain fraternal and beneficiary organizations. • Operation of sheltered workshops. • Nonprofit organizations – Credit and debt services. • Nonprofit organizations that are guarantee agencies, issue debt, or provide guarantees for student loans. 	
3.26.100 Deductions	<p><i>Deductions are included for the following:</i></p> <ul style="list-style-type: none"> • Compensation from public entities for health or social welfare services. • Membership fees and certain services by nonprofit youth organization. • Initiation fees, dues, and certain charges received by nonprofit organizations. • Artistic and cultural organizations. • Interest on obligations of the state, its political subdivisions, and municipal corporations. • Interest on loans to farmers and ranchers, producers, or harvesters of aquatic products, or their cooperatives. • Repair, maintenance, or replacement of residential structures and commonly held property by eligible organizations. • Certain advertising revenue by radio and television broadcasters. 	Deductions for bona fide initiation fees, dues, tuition, and other certain charges are limited to nonprofit organizations.
3.27.140 Administrative Appeal		Any person, except one who has failed to comply with TMC Section 3.27.060, aggrieved by the amount of the tax, penalty, or interest assessed, or by the denial of a refund by the Director, may request a correction and conference for review of the assessment or denial of a refund. Such request must be made within 30 calendar days from the date on which such person was issued notice of the assessment or refund denial, or within the period covered by an extension of the due date granted by the Director. The request for

		<p>correction must state the grounds for the request, including a detailed explanation of why the amount of the tax determined to be due by the Director was incorrect. Interest and penalties shall continue to accrue during the Director's review of a request for a correction, except to the extent that the Director later determines that a tax assessment was too high or the delay in issuing a determination is due to unreasonable delays caused by the Director. The Director shall make a final determination regarding the assessment or refund denial and shall notify the taxpayer of the Director's determination within 60 days after the conference, unless otherwise notified in writing by the Director. Such determination shall be subject to appeal pursuant to subsection (B) of this section. If no request for correction is filed within the time period provided herein, the assessment covered by such notice shall become final and immediately due and payable, and no appeal to the hearing examiner shall be allowed.</p>
3.27.150 Hardship Appeal Procedure		<p>The Director shall develop a financial hardship appeal procedure by January 1, 2024.</p>