

Comparison of Seattle B&O Tax Code's Deviations from Core Model Ordinance Provisions

Seattle B&O Tax Provision	Summary of Change from Core Model B&O Tax Ordinance	
	Includes discretionary definitions for the following as suggested in the Model Guidelines:	Includes additional definitions for the following (not included in the Model Guidelines):
(SMC 5.30) Definitions.	Advance, Reimbursement Agricultural Product, Farmer Artistic or Cultural Organization Competitive Telephone Service Consumer In this City, within this City Newspaper, Magazine, Periodical Non-profit organization Office, Place of Business Precious Metal Bullion or Monetized Bullion Processing for Hire Product, Byproduct Royalties Software, Prewritten Software, Custom Software, Customization of Canned Software, Master Copies, Retained Rights (variation) Tuition fee	Cash Discount Customer-owner Deficiency Distribution Affiliate Distribution Cooperative Freight Broker Motor Carrier Tour Operator Business
(SMC 5.45.040) Agency—sales and services by agent, consignee, bailee, factor or auctioneer.	Explains under what conditions a taxpayer is acting merely in the capacity of a broker or agent when selling tangible personal property or services.	
(SMC 5.45.050) Imposition of the tax.	Tax Rates for the following Classifications (Tax rates are discretionary): Extractor: .00215 (.215%) Manufacturer: .00215 (.215%) Sales of Retail Services or Sales at Wholesale or Retail: .00215 (.215%) Printing; Publishing, Printing and publishing; Processing for hire; Extracting for hire: .00215 (.215%) Service & other: .00415 (.415%)	Tax Rates for the following Classifications (Tax rates are discretionary): Buying Wheat, Oats, Corn, Barley, and Rye and Selling the Same at Wholesale: .000215 (.0215%) (manufacturing classification) Manufacturing Wheat into Flour: .000215 (.0215%) (manufacturing classification) Conducting a Tour Operator Business: .00215 (.215%) Motor Carriers Transporting Freight for Hire: .00415 (.415%)
(SMC 5.45.060) Doing business with the City.	The B&O tax shall apply to any person who accepts or executes contracts with Seattle.	An exemption is available when the value of the contract(s) is \$5,000 or less during any calendar year, or for any person whose sole source of revenue consists of contracts with Seattle for neighborhood planning purposes, sister city associations, or arts commission grants and is less than the taxable threshold amount in SMC 5.55.040D.

Comparison of Seattle B&O Tax Code's Deviations from Core Model Ordinance Provisions

Seattle B&O Tax Provision	Summary of Change from Core Model B&O Tax Ordinance	
	Includes discretionary provisions for the following as suggested in the Model Guidelines:	Includes additional provisions for the following (not included in the Model Guidelines):
(SMC 5.45.080) Persons conducting business both within and without the City.		This section instructs taxpayers which revenues will be assigned to the City as taxable when activities take place within more than one city.
(SMC 5.45.082) Ancillary activities of motor carriers and freight brokers.		This section provides guidance to the taxpayer on how to report and classify ancillary activities of motor carriers and freight brokers (charges other than transportation charges).
(SMC 5.45.090) Exemptions.	<p><i>Exemptions included for the following:</i></p> <ul style="list-style-type: none"> Non-profit Adult Family Homes Day Care Provided by Churches Child Care Resource and Referral Services by Non-Profit Organizations Non-profit Organizations that are Guarantee Agencies, Issue Debt, or Provide Guarantees for Student Loans Non-profit Organizations – Credit and Debt Services Certain Fraternal and Beneficiary Organizations Certain Corporations Furnishing Aid and Relief Operation of Sheltered Workshops Credit Unions Health Maintenance Organization, Health Care Service Contractor, Certified Health Plan Gross Receipts Taxed under other Seattle Municipal Code Sections International Banking Facilities Insurance Business Farmers - Agriculture Athletic Exhibitions Racing Ride Sharing 	<p><i>Exemptions included for the following:</i></p> <ul style="list-style-type: none"> Certain Hospitals and Clinics Real Estate Brokers and Associated Brokers, Agents, or Salesmen
(SMC 5.45.100) Deductions.	<p><i>Deductions provided for the following:</i></p> <ul style="list-style-type: none"> Membership Fees and Certain Service Fees for Non-profit Youth Organizations Fees, Dues, Charges Artistic and Cultural Organizations Day Care Activities Compensation from Public Entities for Health or Social Welfare Services – Except Employee Benefit Plans Interest on Investments or Loans Secured by Mortgages or Deeds of Trust Interests on Obligations of the State, its Political Subdivisions, and Municipal Corporations 	<p><i>Deductions provided for the following:</i></p> <ul style="list-style-type: none"> Distribution Affiliate or Cooperative Transport of Empty Containers Interstate Trucking

Comparison of Seattle B&O Tax Code's Deviations from Core Model Ordinance Provisions

Seattle B&O Tax Provision	Summary of Change from Core Model B&O Tax Ordinance	
	Includes discretionary provisions for the following as suggested in the Model Guidelines:	Includes additional provisions for the following (not included in the Model Guidelines):
(SMC 5.45.100) Deductions. (con't)	Interest on Loans to Farmers and Ranchers, Producers or Harvesters of Aquatic Products, or their Cooperatives Repair Maintenance, Replacement of Residential Structures and Commonly held Property Sales of Precious Metal Bullion and Monetized Bullion Rentals of Boarding Homes Radio and Television Broadcasting –Advertising Fees	
(SMC 5.45.110) Application to City's business activities.	Requires that any subdivision of the City of Seattle which engages in business activities pursuant to the City's tax code, obtain a business license and pay applicable B & O taxes.	
(SMC 5.55.040D) Threshold Provision.	The B&O tax shall not apply to any person with taxable income equal to or less than \$20,000 from all activities conducted within Seattle during any calendar year.	Seattle's threshold was increased to \$50,000.