



ORDINANCE NO. 28294

1 AN ORDINANCE relating to tax and license; establishing an Amnesty Program for
2 taxes imposed under Tacoma Municipal Code Chapters 6A.20, Admission
3 Tax; 6A.30, Business and Occupation Tax; 6A.40, Communications Tax;
4 6A.50, Electricity Business and Solid Waste Collection; 6A.60, Gambling
5 Tax; and license fees assessed in TMC Title 6B, License Code; and offering
6 a specific time period for application and payment to benefit unlicensed
7 businesses and businesses with delinquent accounts in the City of Tacoma.

8 WHEREAS there are currently 4,600 businesses in the City with delinquent
9 tax returns, license fees, or penalties on their accounts, with an estimated total of
10 \$1.4 million due; 2,000 known unlicensed businesses; and an unknown number of
11 unlicensed businesses currently operating in the City, and

12 WHEREAS the City's Finance Department was asked to research an
13 amnesty program for City businesses, for unpaid tax and license liabilities, and

14 WHEREAS amnesty programs typically have several goals: (1) provide relief
15 for businesses; (2) clean-up of past-due accounts; (3) ensure businesses are
16 licensed and current on taxes; (4) provide an opportunity for businesses to
17 voluntarily come into compliance before larger compliance efforts are initiated; and
18 (5) generate revenue that may otherwise be uncollected, and

19 WHEREAS the City has never offered an amnesty program for tax and
20 license liabilities owed to it, and

21 WHEREAS staff is recommending an amnesty program that would (1) waive
22 late filing penalties and interest on tax and license accounts; (2) waive 50 percent of
23 civil penalties due on tax and license accounts; and (3) limit the look-back provision
24 for unregistered businesses for tax and license fees to four years, and
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1 WHEREAS staff recommends a limited amnesty program for taxes imposed
2 under Tacoma Municipal Code (“TMC”) Chapters 6A.20, Admission Tax; 6A.30,
3 Business and Occupation Tax; 6A.40, Communications Tax; 6A.50, Electricity
4 Business and Solid Waste Collection; and 6A.60, Gambling Tax; and license fees
5 assessed in TMC Title 6B, License Code, and

6 WHEREAS the recommended timeframe includes (1) a media and marketing
7 campaign in April-May 2015; (2) an application period from June 1-30, 2015;
8 (3) payment of required tax and license fees by July 31, 2015, in order to waive
9 penalties and interest, except for tax and license fee liabilities of \$7,500 or more;
10 and (4) a six-month partial payment option for liabilities of \$7,500 or more, to be
11 paid during July 31-December 31, 2015; Now, Therefore,

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13 BE IT ORDAINED BY THE CITY OF TACOMA:

14 Section 1. That an Amnesty Program, relating to taxes imposed under
15 Tacoma Municipal Code Chapters 6A.20, Admission Tax; 6A.30, Business and
16 Occupation Tax; 6A.40, Communications Tax; 6A.50, Electricity Business and Solid
17 Waste Collection; and 6A.60, Gambling Tax; and license fees assessed in Title 6B,
18 License Code, is hereby approved.
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20 Section 2. That said Program will consist of the following:

21 (1) Upon full payment of tax and license fees, waive associated late filing
22 penalties and interest;
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24 (2) Upon payment of 50 percent of civil penalties due on Tax and License
25 accounts, waive the remaining 50 percent of civil penalties, not including civil
26 penalties that have been referred to the City’s collection agency for collection; and



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(3) Upon application for new registration and full payment of tax and license fees, limit the look-back provision to four years.

Section 3. That implementation of the Amnesty Program will include (1) a media and marketing campaign in April-May 2015; (2) an application period from June 1-30, 2015; (3) payment of required tax and license fees by July 31, 2015, in order to waive penalties and interest, except for tax and license fee liabilities of \$7,500 or more; and (4) a six-month partial payment option, to be paid during July 31-December 31, 2015, for liabilities of \$7,500 or more.

Section 4. That the Director of Finance is hereby authorized to administer said Amnesty Program.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney