



TO: T.C. Broadnax, City Manager
FROM: Andy Cherullo, Finance Director
COPY: City Council and City Clerk
SUBJECT: Title 6 Amendments – Business License Fees
DATE: November 1, 2016

SUMMARY:

The proposed budget for 2017/2018 includes a revenue enhancement requiring an amendment to Title 6 in the Tacoma Municipal Code (TMC). The amendments include a new business license fee for businesses with annual gross income over \$250,000 and an increase to the license fee for businesses with annual gross income between \$12,000 and \$250,000.

STRATEGIC POLICY PRIORITY:

The increased revenue of approximately \$3.8M in General Fund revenues in 2017/2018 will strengthen and support a safe city and will encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

The City’s business license fees have not increased since 2012. Prior to 2012, the annual business license fee was \$80 for businesses with more than \$10,000 in annual gross income. The change in 2012 raised the \$80 fee to \$90 and created a license fee of \$25 for businesses with less than \$12,000 in annual gross income.

ISSUE:

The 2017/2018 budget requires an increase to the business license fees in TMC Chapter 6B.20.

Gross Income Thresholds	Current License Fee	Proposed License Fee
\$12,000 - \$250,000	\$90	\$110
Over \$250,000	\$90	\$250

The \$25 fee for businesses with annual gross income less than \$12,000 is not changing. The effective date of the new license fees is January 1, 2017.

ALTERNATIVES:

The 2017/2018 budget requires the attached TMC amendments.

RECOMMENDATION:

The 2017/2018 budget requires the attached TMC amendments.



FISCAL IMPACT:

Over the next two years, the increased fees are estimated to generate approximately \$3.8M to the General Fund.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
		4321100	3,800,000
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: NO

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes