

Revenue Strategy Update

**Study Session
February 10, 2026
ITEM #2**



2025 General Fund Revenues *(Preliminary)*

General Fund Revenue Jan - Dec 2025			
Revenue Type	Budget	Actual	Variance
Business Tax	67,265,362	66,528,596	(736,766)
Property Tax	70,051,119	70,345,265	294,146
Sales Tax	71,841,556	71,800,659	(40,897)
Utility Tax	60,645,887	59,032,165	(1,613,722)
Charges for Services	2,872,140	2,813,177	(58,963)
Fines & Forfeits	1,018,525	1,587,059	568,534
Intergovernmental Revenues	16,064,096	16,166,447	102,351
Licenses & Permits	17,661,908	20,875,505	3,213,597
Miscellaneous Revenues	5,210,159	7,078,104	1,867,945
Other Taxes	2,569,629	2,618,382	48,753
Grand Total	315,200,381	318,845,359	3,644,978

Big Four General Fund Revenues – Variance

2025								
Revenue Source	May Variance	June Variance	July Variance	Aug Variance	Sept Variance	Oct Variance	Nov Variance	Dec Variance
Business Tax	(712,111)	(867,146)	706,192	(804,110)	(828,798)	(7,863)	(570,147)	(736,766)
Property Tax	(385,229)	(757,045)	(299,766)	94,398	(352,368)	313,636	(612,431)	294,146
Sales Tax	(1,263,768)	(1,312,881)	(1,105,871)	(1,133,222)	(1,075,366)	(996,631)	(775,250)	(40,897)
Utility Tax	(761,170)	(524,352)	(528,236)	(283,115)	(692,849)	(343,545)	(265,961)	(1,613,722)
Total	(3,122,277)	(3,461,424)	(1,227,680)	(2,126,050)	(2,949,382)	(1,034,404)	(2,223,789)	(2,097,238)

2025-2026 CITY OF TACOMA
**BIENNIAL OPERATING
 & CAPITAL BUDGET**

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2025 General Fund Expenditures (Preliminary)

General Fund Expenditures Jan - Dec 2025			
Dept	Budget	Actual	Variance
City Attorney's Office	3,129,666	3,016,554	113,112
City Manager's Office	3,191,705	2,620,417	571,288
Community & Economic Development	6,136,992	4,829,274	1,307,717
Finance	7,124,410	6,941,046	183,364
Fire	83,905,855	81,973,058	1,932,798
Library	20,160,357	16,823,982	3,336,374
Municipal Court	4,408,096	4,227,514	180,582
Neighborhood & Community Services	17,788,351	13,607,774	4,180,577
Non-Departmental	57,878,956	55,974,699	1,904,256
Planning & Development Services	2,595,130	1,838,833	756,296
Police	129,065,202	128,090,596	974,606
Public Works	1,686,091	1,630,117	55,975
Grand Total	337,074,447	321,581,898	15,492,548

2025-2026 CITY OF TACOMA
**BIENNIAL OPERATING
 & CAPITAL BUDGET**

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New Revenues - 10 Year Review

~New General Fund Revenues - **\$18.3M** annually in 2025-2026 Dollars

General Fund

2017-2018

- Animal License Fees - \$100K
- Increased EMS Transport Fees and Fire Inspection Fees - \$1M
- Business License Fees - \$3M

2021-2022

- Basic Life Support Transport - \$500K

2023-2024

- Business License Fees - \$10.4M

2025-2026

- Utility Tax Exemptions Removal - \$2.3M
- Short-Term Rental Licensing, International Investment Exemption Removal, and False Alarm Fees - \$280K

~Other Funding Sources and Restructures - **\$43.7M** in 2025-2026 Dollars

Other Funds

2017-2018

- Tacoma Creates - \$7M per year
- SAFER Funds

2021-2022

- Affordable Housing Sales Tax - \$7M per year
- Moved Cable Franchise Fees to General Fund (Net \$2M)

2023-2024

- EMS Levy Lid Lift - \$9M per year
- REET for Streets Initiative - \$1.5M per year
- Tidy Up Excise Tax - \$5.8M per year

2025-2026

- REET for Streets Initiative - \$1.5M per year
- Event Excise Tax - \$500K
- Tacoma Creates Renewal - \$7M
- Criminal Justice/Public Safety Sales Tax - \$7M

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Revenue Strategy - Update

Strategy	Status/Next Steps
EMS Levy Lid Lift	Placed on Aug 2023 Ballot - Passed
Fire Levy Lid Lift	Placed on Nov 2024 Ballot - Failed to Pass
Streets Initiative 2 Renewal	Placed on Apr 2025 Ballot - Failed to Pass
State Limit on Property Tax – Increase from 1% to 3%	Legislative Priority 2025 Session: HB 2049 and SB 5798 - Failed to Pass
Tacoma Creates Tax Reauthorization	Passed by City Council Oct 2025
Transportation Impact Fees	Passed by City Council Dec 2025
Criminal Justice / Public Safety 1/10 th of 1 percent of Sales & Use Tax	Passed by City Council Jan 2026
Fire – Regional Fire Authority (RFA)	Feasibility study is underway to determine if creating an RFA would benefit taxpayers & service delivery
Streets Initiative 2 Renewal	Planned for future ballot

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Budget Timeline



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