



ORDINANCE NO. 28929

1 AN ORDINANCE relating to the tax and license code; amending Subtitle 6A of
2 the Tacoma Municipal Code, relating to the Tax Code, by amending
3 Section 6A.30.065, entitled “Job credits”, to narrow the definition of a
4 green job and increase the value of the green job tax credit from \$250 to
5 \$1,000 per year; and amending various sections throughout Chapter
6 6A.30, to update language, address areas of inconsistency, and comply
7 with state law.

8 WHEREAS a comprehensive review of Title 6 of the Tacoma Municipal
9 Code (“TMC”) is conducted approximately every five years to ensure the code
10 is clear in application, up to date with current practices, and administratively
11 workable, and

12 WHEREAS on November 21, 2023, at the Government Performance
13 and Finance Committee meeting staff proposed amendments to TMC Section
14 6A.30 that narrow the definition of a green job and increase the value of the
15 green job tax credit from \$250 to \$1,000 per year, and

16 WHEREAS this recommendation is based on aligning the business and
17 occupation job tax credit with the objectives of the Tacoma Green Economic
18 Development Strategy by narrowing the definition of a green job, and

19 WHEREAS the jobs tax credit is intended to incentivize new jobs,
20 thereby creating new opportunities for residents of diverse income levels and
21 race/ethnicity, and

22 WHEREAS some sections of TMC Title 6A.30 have been identified for
23 further revision to update language, ensure consistency, and comply with state
24 law;

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WHEREAS on November 21, 2023, the Government Performance and Finance Committee voted unanimously to move this proposal forward to the full City Council; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Subtitle 6A.30.065, entitled "Job credits", of the Tacoma Municipal Code and other sections of Title 6A.30 are hereby amended as set forth in the attached Exhibit "A."

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



EXHIBIT "A"

CHAPTER 6A.30
BUSINESS AND OCCUPATION TAX

6A.30.065 Job credits.

A. Intent.

It is the intent of the City Council to encourage growth and attract new businesses to the City. To that end, the City Council finds that an incentive measured by a business's growth in jobs is a meaningful method of attracting and retaining such businesses. Therefore, the incentive in this section is specifically targeted at new full-time positions.

B. Definitions for the purposes of this section:

1. "Eligible person" means a person or company who resides in the City and is engaging in a business activity within the City.
2. "Family wage," beginning January 1, 2018, is \$19.77 an hour. The amount will be adjusted annually on January 1, by an amount equal to the increase in the Consumer Price Index ("CPI") for Urban wage earners, Tacoma-Seattle area, using the CPI from October of the prior year. If the CPI increase is more than 5 percent, a 5 percent increase will be used in computing the basis. If the CPI decreases, no adjustment to the wage will be made.
3. "Qualified employment position" means a permanent, full-time position with compensation of at least a "family wage" within 12 months after the date of hire (allowing for training time and a probation period). If an employee is either voluntarily or involuntarily separated from employment, the employment position is considered filled on a full-time basis during a period not to exceed three months if the employer is actively recruiting a replacement employee.
4. "Resident" means a person who lives inside the city limits of Tacoma with the intent to remain.
5. Effective January 1, 2024, for jobs created after December 31, 2023, "Green Jobs" or "Green Job" means either:
 - a. Jobs in businesses that produce goods or services, including research and development, for sale outside of Tacoma that align with the City of Tacoma Green Economic Development Strategy. Green goods, green services or green businesses include:
 - (1) Clean Energy Products. Energy from renewable sources such as electricity, heat, or fuel generated from renewable sources. These energy sources include but are not limited to wind, biomass, geothermal, solar, ocean, hydropower, including green hydrogen, landfill gas, and municipal solid waste.
 - (2) Green Products. Products and services that improve water quality and conservation, energy efficiency and/or reduce carbon-based energy use in homes, vehicles or business operations, including public agency operations. Included in this group are energy efficient equipment, appliances, and buildings and includes products and services provided by businesses who attest that at least 51 percent of their sales of component parts or equipment are for use in green products such as used in offshore windfarms, vehicles powered by clean energy, green buildings and similar.
 - (3) Industrial Symbiosis. Businesses that participate in the exchange, sharing or reuse of by-products, energy, materials or waste specifically for the creation of new commercial products or which facilitates the reduction of environmental impacts including solid, liquid, or gaseous waste (i.e., reusable containers, carbon capture and reuse).



1 [\(4\) Green Maritime and Logistics. Businesses such as shipbuilders, trucking companies, rail](#)
2 [providers, cargo terminals and logistic providers, that reduce the carbon footprint of maritime and](#)
3 [logistics operations through implementation of new technologies ~~for~~ that result in greater](#)
4 [efficiency, significantly reduce carbon-based energy use, produce clean energy as defined in this](#)
5 [section, or reduce solid waste disposal.](#)

6 [6. For jobs created prior to January 1, 2024, “Green Jobs” or “Green Job” means either:](#)

7 a. Jobs in businesses that produce goods or provide services that benefit the environment or conserve
8 natural resources. These goods and services are sold to customers, and include research and development,
9 installation, and maintenance services. Green goods and services fall into one or more of five groups:

10 [\(1\) ~~i~~](#) Energy from renewable sources. Electricity, heat, or fuel generated from renewable sources. These
11 energy sources include wind, biomass, geothermal, solar, ocean, hydropower, landfill gas, and municipal
12 solid waste.

13 [\(2\) ~~ii~~](#) Energy efficiency. Products and services that improve energy efficiency. Included in this group are
14 energy efficient equipment, appliances, buildings, and vehicles, as well as products and services that
15 improve the energy efficiency of buildings and the efficiency of energy storage and distribution, such as
16 Smart Grid technologies.

17 [\(3\) ~~iii~~](#) Pollution reduction and removal, greenhouse gas reduction, and recycling and reuse. These are
18 products and services that: Reduce or eliminate the creation or release of pollutants or toxic compounds,
19 or remove pollutants or hazardous waste from the environment. Reduce greenhouse gas emissions
20 through methods other than renewable energy generation and energy efficiency, such as electricity
21 generated from nuclear sources. Reduce or eliminate the creation of waste materials; collect, reuse,
22 remanufacture, recycle, or compost waste materials or wastewater.

23 [\(4\) ~~iv~~](#) Natural resources conservation. Products and services that conserve natural resources. Included in
24 this group are products and services related to organic agriculture and sustainable forestry; land
25 management; soil, water, or wildlife conservation; and stormwater management.

26 [\(5\) ~~v~~](#) Environmental compliance, education and training, and public awareness. These are products and
services that: Enforce environmental regulations. Provide education and training related to green
technologies and practices. Increase public awareness of environmental issues.

b. Jobs in which workers’ duties involve making their establishment’s production processes more
environmentally friendly or use fewer natural resources. These workers research, develop, maintain, or
use technologies and practices to lessen the environmental impact of their establishment, or train the
establishment’s workers or contractors in these technologies and practices. These technologies and
practices fall into one or more of four groups:

1 [\(1\) ~~i~~](#) Energy from renewable sources. Generating electricity, heat, or fuel from renewable sources
primarily for use within the establishment. These energy sources include wind, biomass, geothermal,
solar, ocean, hydropower, landfill gas, and municipal solid waste.

2 [\(2\) ~~ii~~](#) Energy efficiency. Using technologies and practices to improve energy efficiency within the
establishment. Included in this group is cogeneration (combined heat and power).

3 [\(3\) ~~iii~~](#) Pollution reduction and removal, greenhouse gas reduction, and recycling and reuse. Using
technologies and practices within the establishment to: Reduce or eliminate the creation or release of
pollutants or toxic compounds, or remove pollutants or hazardous waste from the environment. Reduce
greenhouse gas emissions through methods other than renewable energy generation and energy
efficiency. Reduce or eliminate the creation of waste materials; collect, reuse, remanufacture, recycle, or
compost waste materials or wastewater.

4 [\(4\) ~~iv~~](#) Natural resources conservation. Using technologies and practices within the establishment to
conserve natural resources. Included in this group are technologies and practices related to organic



agriculture and sustainable forestry; land management; soil, water, or wildlife conservation; and stormwater management.

1 C. Credit.

2 Subject to the limits in this section, an eligible person is allowed a credit against the tax due under this chapter. The credit is based on a qualified employment position located within the City.

3 1. The basic credit shall be \$500 for each qualified employment position within the City.

4 2. An additional \$250 is available for each qualified employment position within the City meeting the requirements of the basic credit and eligible for a credit under RCW 82.04.44525.

5 3. An additional \$250 is available for each qualified employment position within the City meeting the requirements of the basic credit and where the position is a Green Job [for jobs created prior to January 1, 2024](#).

6 [4. An additional \\$1,000 is available for each qualified employment position within the City meeting the requirements of the basic credit and where the position is a Green Job created after December 31, 2023.](#)

7 ~~4~~5. An additional \$500 is available for each qualified employment position meeting the requirements of the basic credit and where the employee hired to fill the position is a resident of Tacoma.

8 ~~5~~6. No application is necessary for the tax credit; however, information must be submitted for each new employee position for which credit is requested, and included with the first tax return in which the credit is claimed. The person must keep records necessary for the City to verify eligibility under this section. This information includes:

9 a. Employment records, including Washington State and federal tax returns, for the current year and previous five years;

10 b. Information relating to description of business activity engaged in at the eligible location by the employee; and

11 c. Employee records, including documentation of an employee's address of residency at the time the employee was hired to fill the eligible position.

12 ~~6~~7. A credit is earned for the calendar year in which the employee is hired to fill the position, plus an additional 4 subsequent consecutive years, if the position, along with the company's increased workforce of eligible persons, is maintained during the entire period.

13 a. The qualified employment position credit must be taken within 365 consecutive days after the position is filled to be eligible for the credit.

14 b. If filled before July 1, a newly created position is eligible for the full yearly credit. If filled after June 30, the position is eligible for only a half of the credit for the first calendar year and the full credit for the subsequent four years.

15 c. Credit may not be accrued and carried forward or back. No refunds may be granted for unused portion of credits under this section. If the position is filled during the calendar year, after the filing of a quarterly tax period, an amended 1st or 3rd quarter tax return will be allowed, if appropriate, to qualify for all the credit to which the employer is entitled for that year.

16 d. The purchase of an existing business does not create an allowance of the credit for existing positions.

17 ~~7~~8. If at any time the Director finds that an employer is not eligible or has lost eligibility for a tax credit under this section, the total amount of taxes for which a credit has been claimed for current and prior periods shall be immediately due, provided that if, after the effective date of this section, there exists or existed a recognized general economic recession or a declared emergency requiring an employer to lose eligibility for the tax credit under this section, then an employer is not required to pay back the tax credit received for any prior periods under this section. If an employer claims that such conditions exist and, as



a result, has lost eligibility under this section, the employer must certify such facts to the City on a form approved by the Director.

1 However, if an employer moves its principal place of business outside the City, then, regardless of any
 2 conditions, the total amount of taxes for which a credit has been claimed for current and all prior periods
 3 shall immediately become due. The Director shall assess interest on the recapture of the credit for which
 4 the person is not eligible or has lost eligibility. The interest shall be assessed as provided in
 Section 6A.10.090, shall be assessed retroactively to the beginning of the reporting period in which the
 tax credit was allowed, and shall accrue until the taxes for which a credit has been used are repaid.

5 * * *

6 **6A.30.078 Allocation and apportionment of printing and publishing income when activities take
 place in more than one jurisdiction.**

7 Notwithstanding RCW 35.102.130, for tax reporting periods beginning January 1, 2008, gross income
 8 from the activities of printing, and of publishing newspapers, periodicals, or magazines, shall be allocated
 9 to the principal place in this state from which the taxpayer's business is directed or managed. As used in
 10 this section until December 31, 2023, the activities of printing, and of publishing newspapers, periodicals,
 or magazines, have the same meanings as attributed to those terms in RCW 82.04.280(1) by the
 department of revenue. Beginning January 1, 2024, until January 1, 2034, as used in this section, the
activities of printing, and publishing of newspapers and periodicals or magazines are those activities to
which the exemption in RCW 82.04.759 and the tax rate in RCW 82.04.280(1)(a) apply.

11 * * *

12 **6A.30.090 Exemptions.**

13 A. Certain fraternal and beneficiary organizations. This chapter shall not apply to fraternal benefit
 14 societies or fraternal fire insurance associations as described in Chapter 48 RCW; nor to beneficiary
 15 corporations or societies organized under and existing by virtue of Chapter 24 RCW, if such beneficiary
 corporations or societies provide in their bylaws for the payment of death benefits. This exemption is
 limited, however, to gross income from premiums, fees, assessments, dues, or other charges directly
 attributable to the insurance or death benefits provided by such societies, associations, or corporations.

16 B. Credit unions. This chapter shall not apply to the gross income of credit unions organized under the
 laws of this state, any other state, or the United States.

17 C. Nonprofit health care organization fees. This chapter shall not apply to amounts derived from medical,
 18 nursing, ambulance, hospital, and other appropriate outpatient care as charges and service fees by
 19 nonprofit health care organizations for the benefit of subscribers where none of such fees and charges
 20 inure to the benefit of the organization or any of its employees, provided further that if a nonprofit health
 care organization's annual gross income, minus any allowed deductions or exemptions as provided in this
 chapter, exceeds \$30,000,000.00 for any calendar year the deduction shall not apply to the amounts
 derived from health care organization service fees and charges.

21 D. Public and private utilities – Gambling. This chapter shall not apply to the business activity of any
 22 person to which tax liability is specifically imposed under the provisions of Chapters 6A.40
 (Communications Tax), 6A.50 (Electricity Business and Solid Waste Collection), 6A.60 (Gambling), ~~and~~
 6A.90 (Natural or Manufactured Gas Tax) and 6A.100 (Gross Earnings Tax – Public Utilities).

23 E. Investments – dividends from subsidiary corporations. This chapter shall not apply to amounts derived
 24 by persons other than those engaging in banking, loan, security, or other financial businesses, from
 25 investments or the use of money as such, and also amounts derived as dividends by a parent from its
 26 subsidiary corporations.



1 F. International banking facilities. This chapter shall not apply to the gross receipts of an international
2 banking facility. As used in this subsection, an “international banking facility” means a facility
3 represented by a set of asset and liability accounts segregated on the books and records of a commercial
4 bank, the principal office of which is located in this state, and which is incorporated and doing business
5 under the laws of the United States or of this state, a United States branch or agency of a foreign bank, an
6 Edge corporation organized under Section 25(a) of the Federal Reserve Act, 12 United States Code 611-
7 631, or an Agreement corporation having an agreement or undertaking with the Board of Governors of
8 the Federal Reserve System under Section 25 of the Federal Reserve Act, 12 United States Code 601-
9 604(a), that includes only international banking facility time deposits (as defined in subsection (a)(2) of
10 Section 204.8 of Regulation D (12 CFR Part 204), as promulgated by the Board of Governors of the
11 Federal Reserve System), and international banking facility extensions of credit (as defined in
12 subsection (a)(3) of Section 204.8 of Regulation D).

13 G. Insurance business. This chapter shall not apply to amounts received by any person who is an insurer
14 or their appointed insurance producer upon which a tax based on gross premiums is paid to the state
15 pursuant to RCW 48.14.020; and provided further, that the provisions of this subsection shall not exempt
16 any bonding company from tax with respect to gross income derived from the completion of any contract
17 as to which it is a surety, or as to any liability as successor to the liability of the defaulting contractor.

18 H. Farmers – agriculture. This chapter shall not apply to any farmer, ~~gardener, or other persons with~~
19 ~~respect to amounts received from~~ selling, ~~delivering or peddling any~~ fruits, vegetables, berries, ~~butter,~~
20 ~~eggs or any farm produce or edibles, fish, milk, poultry, meats, or any other agricultural product that is~~
21 ~~raised, gathered~~ ~~caught~~, produced, or manufactured by such persons.

22 I. Athletic exhibitions. This chapter shall not apply to any person with respect to the business of
23 conducting boxing contests and sparring or wrestling matches and exhibitions for the conduct of which a
24 license must be secured from the Washington State Boxing Commission.

25 J. Racing. This chapter shall not apply to any person with respect to the business of conducting race
26 meets for the conduct of which a license must be secured from the Washington State Horse Racing
Commission.

K. Ride sharing. This chapter does not apply to any funds received in the course of commuter ride sharing
or ride sharing for persons with special transportation needs in accordance with RCW 46.74.010.

L. Employees.

1. This chapter shall not apply to any person with respect to the person’s employment in the capacity as
an employee or servant as distinguished from that of an independent contractor. For the purposes of this
subsection, the definition of employee shall include those persons that are defined in the Internal Revenue
Code, as hereafter amended.

2. A booth renter is an independent contractor for purposes of this chapter.

M. Amounts derived from sale of real estate. This chapter shall not apply to gross proceeds derived from
the sale of real estate. This, however, shall not be construed to allow an exemption of amounts received as
commissions from the sale of real estate, nor as fees, handling charges, discounts, interest or similar
financial charges resulting from or relating to real estate transactions. This chapter shall also not apply to
amounts received for the rental of real estate, if the rental income is derived from a contract to rent for a
continuous period of 30 days or longer.

N. Mortgage brokers’ third-party provider services trust accounts. This chapter shall not apply to amounts
received from trust accounts to mortgage brokers for the payment of third-party costs if the accounts are
operated in a manner consistent with RCW 19.146.050 and any rules adopted by the director of financial
institutions.



1 O. Amounts derived from manufacturing, selling, or distributing motor vehicle fuel. This chapter shall
 2 not apply to the manufacturing, selling, or distributing motor vehicle fuel, as the term “motor vehicle
 3 fuel” is defined in 82.38.020 and exempt under RCW 82.38.280, provided that any fuel not subject to the
 4 state fuel excise tax or any other applicable deduction or exemption will be taxable under this chapter.

5 P. Amounts derived from liquor, and the sale or distribution of liquor. This chapter shall not apply to
 6 liquor as defined in RCW 66.04.010 and exempt in RCW 66.08.120.

7 Q. Accommodation sales. This chapter shall not apply to sales for resale by persons regularly engaged in
 8 the business of making retail sales of the type of property so sold to other persons similarly engaged in
 9 the business of selling such property where (1) the amount paid by the buyer does not exceed the amount
 10 paid by the seller to the vendor in the acquisition of the article, and (2) the sale is made as an
 11 accommodation to the buyer to enable the buyer to fill a bona fide existing order of a customer or is made
 12 within 14 days to reimburse in-kind a previous accommodation sale by the buyer to the seller.

13 R. Casual and isolated sales. This chapter shall not apply to the gross proceeds derived from casual or
 14 isolated sales.

15 S. Taxes collected as trust funds. This chapter shall not apply to amounts collected by the taxpayer from
 16 third parties to satisfy third party obligations to pay taxes such as the retail sales tax, use tax, and
 17 admission tax.

18 T. The gross income received by the United States or any instrumentality thereof and by the state of
 19 Washington or any municipal subdivision thereof; provided, however, that the exemption contained in
 20 this subsection shall only apply to gross income which the City is prohibited from taxing pursuant to the
 21 terms of any federal or state law.

22 U. Any person with respect to a business activity conducted in an area that, after the date hereof, has
 23 become part of the City by annexation; provided, however, that the business premises of such person be
 24 located in the said area on the date of annexation; and provided, further, that the exemption provided
 25 herein shall cease at the end of the calendar quarter three years after the date of such annexation.

26 V. Those persons whose gross proceeds of sales or gross income of the business both from within and
 outside the City for the entire calendar year do not exceed a minimum threshold of \$50,000 through
 December 31, 1998; \$55,000 from January 1 through December 31, 1999; \$60,000 from January 1, 2000,
 through December 31, 2000; \$65,000 from January 1, 2001, through December 31, 2001; \$70,000 from
 January 1, 2002 through December 31, 2008, \$72,500 from January 1, 2009 through December 31, 2009,
 \$75,000 from January 1, 2010 through December 31, 2010 and \$250,000 from January 1, 2011, and
 thereafter shall be exempt from the tax imposed under this Subtitle 6A and will not be required to submit
 a tax return; provided, however, that said persons shall still be obligated to obtain a registration
 certificate.

Tax Period Year	Gross Income Threshold
1998 and prior years	\$50,000
1999	\$55,000
2000	\$60,000
2001	\$65,000
2002 through 2008	\$70,000
2009	\$72,500
2010	\$75,000
2011 and beyond	\$250,000



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W. Amounts received from the sale of licenses to use grave sites and related finance charges by persons owning or operating cemeteries located within the City; provided, however, that this exemption shall not apply to amounts derived from the sale of licenses to use crypts or cremation niches located in mausoleums.

6A.30.100 Deductions.

~~In computing the license fee or tax, t~~ There may be deducted from the measure of tax the following items:

A. Receipts from tangible personal property delivered outside the state. In computing tax, there may be deducted from the measure of tax under retailing or wholesaling amounts derived from the sale of tangible personal property that is delivered by the seller to the buyer or the buyer's representative at a location outside the state of Washington.

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