



ORDINANCE NO. 28838

1 AN ORDINANCE relating to business license fees; amending Chapter 6B.20 of the
2 Tacoma Municipal Code by amending Section 6B.20.020 thereof, entitled
3 "License fee," to increase the license fee for businesses with annual gross
4 income over \$12,000 and to add new license tiers for businesses with
annual gross income over \$1 million, to become effective on January 1,
2023.

5 WHEREAS the City's business license fees have not been updated since
6 2017, and

7 WHEREAS the 2017 changes left the annual fee for the smallest
8 businesses unchanged; increased the fee for businesses with annual gross income
9 between \$12,000 and \$250,000 from \$90 to \$110; and added a new tier for
10 businesses with annual gross income over \$250,000 with an annual fee of \$250,
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13 WHEREAS the proposed amendment will increase business license fees as
14 follows: for gross income thresholds between \$12,000 and \$250,000, the fee will
15 increase from \$110 to \$130; for gross income thresholds between \$250,001 and
16 \$1,000,000, the fee will increase from \$250 to \$300; for gross income thresholds
17 between \$1,000,001 and \$5,000,000, the fee will increase from \$250 to \$1,000;
18 and for gross income thresholds over \$5,000,000, the fee will increase from \$250
19 to \$1,500, and
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21 WHEREAS 90 percent of businesses in Tacoma will see either no increase
22 in their annual business license fee, or a \$20 or \$50 increase based on their
23 annual gross income; the remaining 10 percent of larger businesses will see more
24 substantial increases, and
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WHEREAS the proposed fees will become effective on January 1, 2023, and will generate an estimated \$3.3 million in ongoing annual revenues to the City's General Fund; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Section 6B.20.020 of the Tacoma Municipal Code, entitled "License fee," is hereby amended as set forth in the attached Exhibit "A," to become effective on January 1, 2023.

Section 2. That the City Clerk, in consultation with the City Attorney, is authorized to make necessary corrections to this ordinance, including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



EXHIBIT "A"

6B.20.020 License fee.

Pursuant to Section 6B.20.010, there is hereby imposed an annual business license fee based on anticipated gross income as shown in subsection C, with the following exceptions:

A. Any charitable organization that has been exempted from payment of taxes to the federal government under Section 501(c)(3) of the Internal Revenue Code shall pay an annual administrative fee of \$25.

B. In the case where business is transacted at two or more locations by one person, each additional location shall pay an annual administrative fee of \$25.

C.

Year	Anticipated Gross Income	Annual Fee
2006—2011	Less than \$10,000	Zero
2006—2011	\$10,000 or more	\$80
2012 and after	Less than \$12,000	\$25
2012 – 2016	\$12,000 or more	\$90
2017 and after- 2022	Between \$12,000 and \$250,000	\$110
2017 and after- 2022	More than \$250,000	\$250
<u>2023 and after</u>	<u>Between \$12,000 and \$250,000</u>	<u>\$130</u>
<u>2023 and after</u>	<u>Between \$250,001 and \$1,000,000</u>	<u>\$300</u>
<u>2023 and after</u>	<u>Between \$1,000,001 and \$5,000,000</u>	<u>\$1,000</u>
<u>2023 and after</u>	<u>More than \$5,000,000</u>	<u>\$1,500</u>