



SUBSTITUTE NO. 1 ORDINANCE NO. 28838

1 BY REQUEST OF COUNCIL MEMBERS BLOCKER, DANIELS, AND WALKER

2 AN ORDINANCE relating to business license fees; amending Chapter 6B.20 of the
3 Tacoma Municipal Code by amending Section 6B.20.020 thereof, entitled
4 "License fee," to increase the license fee for businesses **with annual gross**
5 **income over \$12,000** and to add new license tiers for businesses with
6 annual gross income over \$1 million, to become effective on January 1,
7 2023.

8 WHEREAS the City's business license fees have not been updated since
9 2017, and

10 WHEREAS the 2017 changes left the annual fee for the smallest
11 businesses unchanged; increased the fee for businesses with annual gross income
12 between \$12,000 and \$250,000 from \$90 to \$110; and added a new tier for
13 businesses with annual gross income over \$250,000 with an annual fee of \$250,
14 and

15 WHEREAS the proposed amendment will increase business license fees **for**
16 **the years 2023 and 2024, and as follows:** for gross income thresholds between
17 **\$12,000 and \$250,000, the fee will increase from \$110 to \$130; for gross income**
18 **thresholds between \$250,001 and \$1,000,000, the fee will increase from \$250 to**
19 **\$300; for gross income thresholds between \$1,000,001 and \$5,000,000, the fee**
20 **will increase from \$250 to \$1,000; and for gross income thresholds over**
21 **\$5,000,000, the fee will increase from \$250 to \$1,500, and**

22 **WHEREAS 90 percent of businesses in Tacoma will see either no increase**
23 **in their annual business license fee, or a \$20 or \$50 increase based on their**
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1 annual gross income; the remaining 10 percent of larger businesses will see more
2 substantial increases, and

3 WHEREAS the proposed fees will become effective on January 1, 2023, and
4 will generate an estimated \$3.27.8 million 3.3 and \$3.541,331,250 million in 2023
5 and 2024, respectively, in ongoing annual revenues to the City’s General Fund, and

6 WHEREAS the ordinance will be referred to the City Council's Economic
7 Development Committee to work with stakeholders to make a recommendation to
8 the full Council by September 30, 2023, regarding the fees for 2025, and applicable
9 tiers, potential fees, and a process for adjustments to fees for years following 2025;
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11 Now, Therefore,

12 BE IT ORDAINED BY THE CITY OF TACOMA:

13 Section 1. That Section 6B.20.020 of the Tacoma Municipal Code, entitled
14 “License fee,” is hereby amended as set forth in the attached Exhibit “A,” to become
15 effective on January 1, 2023.
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17 Section 2. That the City Clerk, in consultation with the City Attorney, is
18 authorized to make necessary corrections to this ordinance, including, but not
19 limited to, the correction of scrivener’s/clerical errors, references, ordinance
20 numbering, section/subsection numbers, and any references thereto.

21 Section 3: The ordinance will be referred to the City Council's Economic
22 Development Committee to work with stakeholders to make a recommendation to
23 the full Council by September 30, 2023, regarding the fees for 2025, and applicable
24 tiers, potential fees, and a process for adjustments to fees for years following 2025.
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Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



EXHIBIT "A"

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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 2023	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
2023 and after	Between \$12,000 and \$250,000	\$130
2023 and after	Between \$250,001 and \$1,000,000	\$300
2023 and after	Between \$1,000,001 and \$5,000,000	\$1,000
2023 and after	More than \$5,000,000	\$1,500
2024	Less than \$12,000	\$37.50
2024	Between \$12,000 and \$250,000	\$190
2024	Between \$250,001 and \$1,000,000	\$435
2024	Between \$1,000,001 and \$5,000,000	\$1,500
2024	More than \$5,000,000	\$2,000