



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Danielle Larson, Tax & License Manager  
Andy Cherullo, Finance Director  
**COPY:** City Council and City Clerk  
**SUBJECT:** Ordinance – Tacoma Municipal Code 6A.130 – Amendments March 21, 2023  
**DATE:** March 7, 2023

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**SUMMARY AND PURPOSE:**

An ordinance amending Tacoma Municipal Code (TMC) relating to Chapter 6A.130 – Local Solid Waste Customer to exempt charges to customers who take solid waste to a private disposal facility for disposal from the local solid waste customer excise tax.

**BACKGROUND:**

**This Department’s Recommendation is Based On:** Chapter 6A.130 provides an exemption for charges to customers who take solid waste to City disposal facilities from the tax. The proposal to add an exemption to customers who take solid waste to private disposal facilities will bring the requirement to collect the tax consistent between public and private facilities. In addition, it will prevent the excise tax from being collected multiple times on the same solid waste product.

**COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

The private solid waste industry that includes disposal facilities and solid waste haulers will be affected by the proposed amendments. Staff conducted outreach and had discussions with businesses in the solid waste industry which helped shape the proposed amendments.

**2025 STRATEGIC PRIORITIES:**

**Equity and Accessibility: (Mandatory)**

This legislation will eliminate the inequity between public and private disposal facilities and establish an exemption for both public and private facilities from collecting the excise tax from their customers who bring solid waste to their facilities. In addition, it prevents the 6% excise tax from being collected multiple times on the same solid waste product, which would effectively be passed on through increased prices to the original customer generating the solid waste.

Identify which Tacoma 2025 strategic goals your legislation most relates to, and then identify the [Equity Index Score](#) for those goals in the geography your proposal will affect. Select the indicator(s) this legislation is most related to, then briefly explain how this legislation will impact the selected indicator(s) and/or improve the Equity Index Score. *Use the dropdowns below and refer to guide for more information.*



**Economy/Workforce:** *Equity Index Score:* Moderate Opportunity  
 Contributes to affordability by reducing the tax burden for an essential service.

**Livability:** *Equity Index Score:* Moderate Opportunity  
 Improve health outcomes and reduce disparities for all Tacoma residents.  
 Increase positive public perception of safety and overall quality of life.  
 Decrease the percentage of income devoted to household expenses.

**Explain how your legislation will affect the selected indicator(s).**

Providing an exemption to customers who take solid waste to all disposal facilities in the City will provide equitable application of the excise tax to Tacoma citizens hauling and disposing their own solid waste and be particularly important to households in the low opportunity communities in the City.

**ALTERNATIVES:**

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Remove the current exemption provided to customers at City disposal facilities instead of adding an exemption for private disposal facilities.	Additional tax revenues would be collected from customers hauling their own solid waste and disposing it at public and private disposal facilities.	A local solid waste customer excise tax is typically collected one time on the same product. If the exemption to collect the excise tax from customers is not available to disposal facilities, it will be administratively difficult for disposal facilities to distinguish what solid waste products brought to their facility already had the excise tax collected on it or whether they should collect the tax from the customer.  Increases the risk of customers dumping their solid waste illegally to avoid paying the excise tax at a facility.
2.		
3.		



**EVALUATION AND FOLLOW UP:**

Staff will monitor and determine whether to propose a future amendment that requires public and private facilities to collect the tax from customers that have not already collected the tax from the original source of solid waste.

**STAFF/SPONSOR RECOMMENDATION:**

Staff is recommending the proposed amendments to exempt private disposal facilities from collecting the excise tax from their customers who bring solid waste to the facility to establish the same requirement for both public and private disposal facilities and to avoid the excise tax from being collected multiple times on the same solid waste product.

The recommended effective date for the amendments is April 1, 2023, when Tacoma Municipal Code 6A.130 – Local Solid Waste Customer Excise Tax goes into effect.

**FISCAL IMPACT:**

The tax is not effective until April 1, 2023. The impact to future revenues is estimated as minimal.

**Are there financial costs or other impacts of not implementing the legislation?**

**YES**

There are impacts to public and private disposal facilities if they are required to implement a system that would need to determine which customers to collect the excise tax from and then remitting it to the City.

**Will the legislation have an ongoing/recurring fiscal impact?**

**YES**

The impact is estimated as minimal.

**Will the legislation change the City's FTE/personnel counts?**

**NO**