



Ordinance 24-1234 *(pending)* Vendor Refreshment Serving Tax

City of Tacoma | Tacoma Venues & Events
Adam Cook, Director

City Council Study Session
December 03, 2024

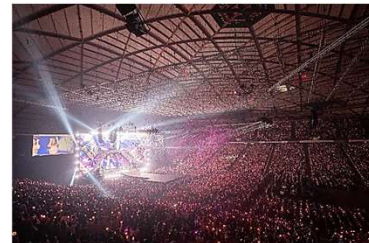


1

OVERVIEW



- Amending Chapter 6A Tax & License Code to add Chapter 6A.130, Vendor Refreshment Serving Tax
- Implement Tax on Vendor Responsible for Sale of Food & Beverage at Tacoma Dome, Greater Tacoma Convention Center, and Tacoma City Theaters (with exemptions)
- Support Community Event Expenses & General Fund Obligations



2

AGENDA

- Background and Community Need
- Funding Goals and Options
- Excise Tax Proposal
- Excise Tax Fiscal Impact








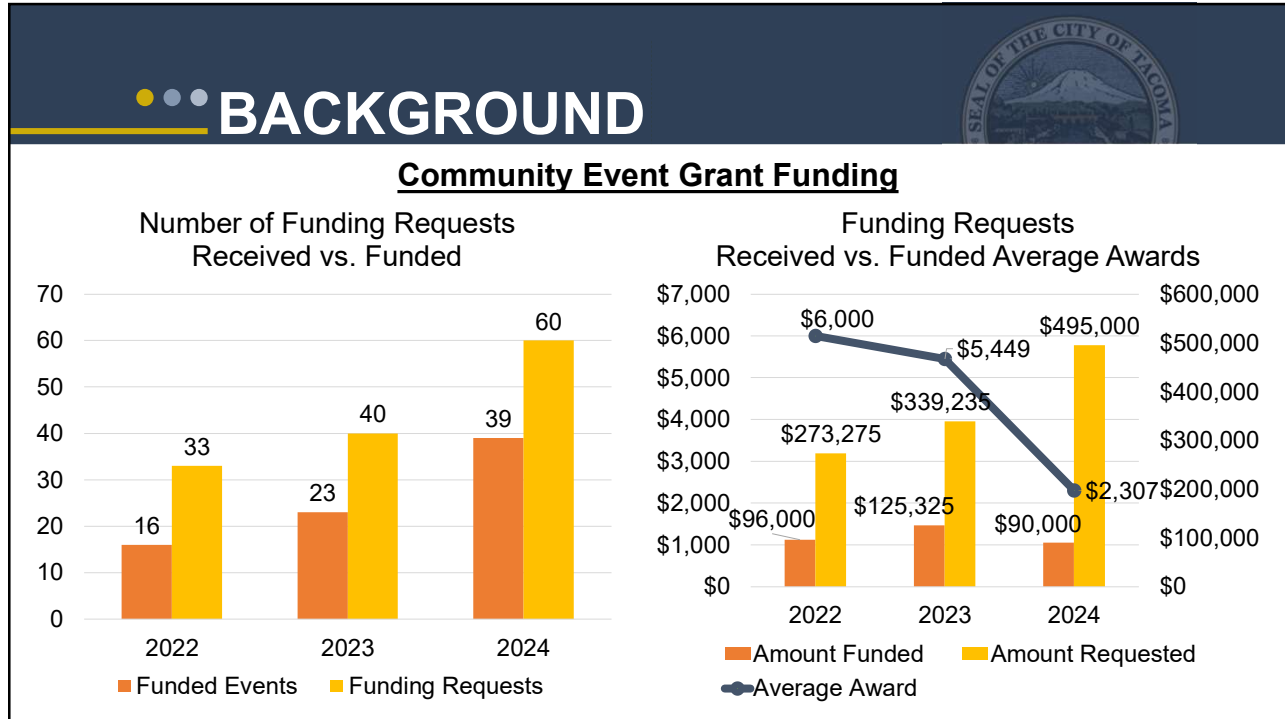
3

BACKGROUND

	General Fund 0010 SpEvents <i>(Before Proposal)</i>	Anticipated 2025-2026 Actual Need to Maintain Existing Baseline Services
Personnel and Operating	\$385,110	\$385,110
City Recognition Celebrations	\$65,979	\$125,000
4 th of July Fireworks	\$182,000	\$182,000
Community Event Grants	\$100,000	\$180,000
Community Event SkillShops	\$0	\$25,000
Biennial Total	\$733,089 <i>(Budget Baseline)</i>	\$897,110 <i>(Actual Need)</i>

4



5

ISSUES



Funding Goals

- Reduce General Fund Obligation
- Enhance Community Event Support
- Utilize City-Owned Assembly Venues to Create Stable Funding Source

Funding Options Reviewed

- Per Ticket Facility/Service Fee
- Additional Admissions Tax
- Retail Sales Tax
- Alcohol Tax
- Excise Tax

6





WHO



- Tacoma Dome, Greater Tacoma Convention Center, Tacoma City Theaters
- Food & Beverage Sellers
 - Daily Gross Revenue over \$15,000 or:
 - Annual Gross Revenue over \$1,000,000

WHEN

- Collection Starts 1/1/2025
- Distribution Starts 1/1/2026




7

WHAT

Item to be Taxed	Tax Rate
Single Service Package \$0-\$4.99 retail price	\$0.25
Single Service Package \$5-\$9.99 retail price	\$0.50
Single Service Package \$10-\$21.99 retail price	\$1.00
Single Service Package \$22-\$32.99 retail price	\$3.00
Single Service Package \$33+ retail price	\$4.00
Bulk Package \$0-\$49.99	\$5.00
Bulk Package \$50-\$149.99	\$8.00
Bulk Package \$150-\$349.99	\$35.00
Bulk Package \$350+	\$45.00

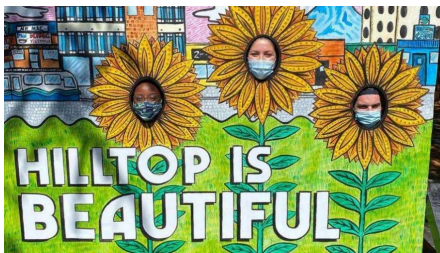


8

ISSUES

DISTRIBUTION

- City Recognition Celebrations
- Community Event Grants
- Community Event SkillShops
- *Full Distribution Plan & Other Potential Distributions To Be Determined in 2025*



9

ISSUES

POTENTIAL CONSUMER IMPACT

CONCESSIONS	Tacoma Dome w/Tax	White River Amphitheater	Cheney Stadium	Lumen Field	T-Mobile Arena	Climate Pledge Arena
Alcohol	\$13.33	\$18.71	\$12.58	\$16.12	\$15.19	\$18.25
Soda/Water	\$5.39	\$5.50	\$5.00	\$6.24	\$5.90	\$6.49
Meal	\$12.83	\$17.25	\$13.50	\$15.39	\$17.10	\$16.25
Snack	\$6.29	\$9.75	\$7.63	\$9.09	\$9.50	\$9.99

Average Increase Family of 4 (2 Alcohol, 2 Soda, 4 Meal, 1 Snack) – \$7

CATERING	GTCC w/Tax	Marriott Downtown	Hotel Murano	Silver Cloud Hotel
Breakfast	\$26.67	\$29.33	\$26.67	\$35.00
Lunch	\$30.33	\$38.67	\$31.67	\$61.67
Dinner	\$41.50	\$60.00	\$51.00	\$100.00
Platter Per Dozen	\$36.50	\$48.00	\$33.00	\$90.00
Platter Per 50	\$401.67	\$866.67	\$466.67	\$537.50

10

ISSUES

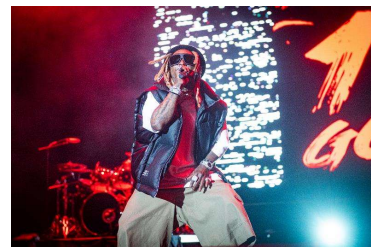


GENERAL FUND IMPACT

- 2025-2026 Biennium: \$381,000 Savings
- Future Biennia: \$525,000 Savings

ESTIMATED TAX REVENUE

- 2025: \$400,000-\$500,000
- 2026: \$450,000-\$550,000



11

PROPOSED REVISIONS



- **City Code Chapter 6 – Tax & License Code**
 - Amends Chapter 6A.130
 - 6A.130.010 – Definitions
 - 6A.130.020 – Persons subject to tax – rates
 - 6A.130.040 – Exemptions



12

12

NEXT STEPS



- **10/15/2024:** Government Performance and Finance Committee
- **12/03/2024:** City Council Study Session Review
- **12/10/2024:** City Council Consideration First Reading
- **12/17/2024:** City Council Consideration Second Reading
- **01/01/2025:** Ordinance Effective Date



13



Ordinance 24-1234 *(pending)*

Vendor Refreshment Serving Tax

City of Tacoma | Tacoma Venues & Events
 Adam Cook, Director

City Council Study Session
 December 03, 2024



14