



ORDINANCE NO. 28208

1 AN ORDINANCE relating to the Tax and License Code; amending Title 6 of the
 2 Tacoma Municipal Code ("TMC") by amending Sections 6A.30.090 and
 3 6A.90.040; Chapter 6A.100; and Sections 6B.130.010; 6B.160.070;
 4 6B.165.100; 6B.170.060, and 6B.200.040 thereof to correct language and
 citations that are not consistent with other chapters of the TMC and/or
 Revised Code of Washington.

5 WHEREAS the Tacoma Municipal Code ("TMC") is amended from time to
 6 time, resulting in the need for corresponding changes in other parts of the TMC,
 7 and
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9 WHEREAS it is necessary to amend the following sections of TMC Title 6
 10 to correct language and citations that are not consistent with other chapters of
 11 the TMC and/or Revised Code of Washington: Sections 6A.30.090 and
 12 6A.90.040; Chapter 6A.100; Sections 6B.130.010, 6B.160.070, 6B.165.100,
 13 6B.170.060, and 6B.200.040; Now, Therefore,
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15 BE IT ORDAINED BY THE CITY OF TACOMA:

16 That Title 6 of the Tacoma Municipal Code ("TMC") is hereby amended by
 17 amending Sections 6A.30.090 and 6A.90.040; Chapter 6A.100; and
 18 Sections 6B.130.010; 6B.160.070; 6B.165.100; 6B.170.060, and 6B.200.040
 19 thereof to correct language and citations that are not consistent with other
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1 chapters of the TMC and/or Revised Code of Washington, as set forth in the
2 attached Exhibit "A."

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4 Passed _____

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Mayor

7 Attest:
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9 City Clerk

10 Approved as to form:
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12 Deputy City Attorney

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EXHIBIT "A"

**TITLE 6
TAX AND LICENSE CODE**

6A.30.090 Exemptions.

A. Certain fraternal and beneficiary organizations. This chapter shall not apply to fraternal benefit societies or fraternal fire insurance associations as described in Chapter 48 RCW; nor to beneficiary 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.

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.

C. Nonprofit health care organization fees. This chapter shall not apply to amounts derived from medical, nursing, ambulance, hospital, and other appropriate outpatient care as charges and service fees by nonprofit health care organizations for the benefit of subscribers where none of such fees and charges 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.

D. Public utilities. This chapter shall not apply to the business activity of any 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), and 6A.90 (Natural or Manufactured Gas Tax).

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

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

G. Insurance business. This chapter shall not apply to amounts received by any person who is an insurer or their appointed insurance producer upon which a tax based on gross premiums is paid to



1 the state pursuant to RCW 48.14.020; and provided further, that the provisions of this subsection
2 shall not exempt any bonding company from tax with respect to gross income derived from the
3 completion of any contract as to which it is a surety, or as to any liability as successor to the liability
4 of the defaulting contractor.

5 H. Farmers – agriculture. This chapter shall not apply to any farmer with respect to amounts received
6 from selling fruits, vegetables, berries, butter, eggs, fish, milk, poultry, meats, or any other
7 agricultural product that is raised, caught, produced, or manufactured by such persons.

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

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

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

17 L. Employees.

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

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

23 M. Amounts derived from sale of real estate. This chapter shall not apply to gross proceeds derived
24 from the sale of real estate. This, however, shall not be construed to allow an exemption of amounts
25 received as commissions from the sale of real estate, nor as fees, handling charges, discounts,
26 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.

O. Amounts derived from manufacturing, selling, or distributing motor vehicle fuel. This chapter
shall not apply to the manufacturing, selling, or distributing motor vehicle fuel, as the term “motor
vehicle fuel” is defined in RCW 82.36.010 and exempt under RCW 82.36.440, provided that any
fuel not subject to the state fuel excise tax or any other applicable deduction or exemption will be
taxable under this chapter.

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

Q. Accommodation sales. This chapter shall not apply to sales for resale by persons regularly
engaged in the business of making retail sales of the type of property so sold to other persons
similarly engaged in the business of selling such property where (1) the amount paid by the buyer
does not exceed the amount paid by the seller to the vendor in the acquisition of the article, and



(2) the sale is made as an accommodation to the buyer to enable the buyer to fill a bona fide existing order of a customer or is made within 14 days to reimburse in-kind a previous accommodation sale by the buyer to the seller.

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

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

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

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

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; provided, however, that said persons shall still be obligated to obtain a registration certificate and submit City tax returns as specified by this Subtitle 6A, except that persons whose gross income or gross sales is \$12,000 or less will not be required to submit a tax return.

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

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.90.040 Natural or manufactured gas use tax.

A. Pursuant to RCW 82.14.230, there is fixed and imposed upon every person a use tax for the privilege of using natural gas or manufactured gas in the City as a consumer.



B. The tax shall be in an amount equal to the value of the article used by the taxpayer multiplied by a rate which is equal to the rate specified in Section 6A.90.030 of this chapter.

C. The “value of the article used” shall have the meaning set forth in RCW 82.12.010(7)(a), and does not include any amounts that are paid for the hire or use of a natural gas business in transporting the gas subject to tax under this section if those amounts are subject to a tax which is imposed and paid under Section 6A.90.030 of this chapter.

D. The tax under this section shall not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax imposed pursuant to Section 6A.90.030 of this chapter.

E. There shall be a credit against the tax levied under this section in an amount equal to any tax paid by:

1. The person who sold the gas to the consumer, when that tax is a gross receipts tax similar to that imposed pursuant to Section 6A.90.030 of this chapter; by another municipality or other unit of local government with respect to the gas for which a credit is sought under the subsection; or

2. The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another municipality or other unit of local government with respect to the gas for which a credit is sought under this subsection.

F. The use tax hereby imposed shall be paid by the consumer. The administration and collection of the tax hereby imposed shall be pursuant to RCW 82.14.050.

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Chapter 6A.100

UTILITIES GROSS EARNINGS TAX – PUBLIC UTILITIES

Sections:

- 6A.100.005 Administrative provisions.
- 6A.100.010 Power, Water, and Rail Divisions – Department of Public Utilities.
- 6A.100.020 Solid Waste Utility and Sewer Utility – Department of Public Works.
- 6A.100.030 Gross earnings defined.
- 6A.100.040 Deductions.
- 6A.100.050 Overpayment of tax.

6A.100.005 Administrative provisions.

The administrative provisions of Chapter 6A.10 shall be fully applicable to the provisions of this chapter except as expressly stated to the contrary herein.

* * *

6A.100.050 Overpayment of tax.

If, upon application by a taxpayer for a refund or for an audit of his or her records or upon an examination of the returns or records of any taxpayer, it is determined by the Director that within two years immediately preceding the receipt by the Director of the application by the taxpayer for a refund or for an audit, or, in the absence of such an application, within the two years immediately preceding the commencement by the Director of such examination, a tax has been paid in excess of that properly due, the excess amount paid within such period of two years shall be credited to the taxpayer’s account or shall be refunded to the taxpayer, at his or her option. No refund or credit shall be allowed with respect to any payment made to the Director more than two years before the date of such application or examination. Where a refund or credit may not be made because of the lapse of



1 said two-year period, the amount of the refund or credit which would otherwise be allowable for the
 2 portion of the statutory assessment period preceding the two-year period may be offset against the
 3 amount of any tax deficiency which may be determined by the Director for such preceding period.
 4 Interest upon any such refund or credit shall be allowed by the Director at the rate of 3 percent per
 5 annum.

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7 **6B.130.010 License required – Conditional home occupation agreement.**

8 A. It is unlawful for any person to engage in a “home occupation,” as defined in TMC 13.06.700,
 9 within a residential building or building accessory thereto without first obtaining a license pursuant
 10 to the provisions of this chapter. Prior to issuance of said license, the Director must be satisfied that
 11 the applicant will be in conformance with applicable laws, including, but not limited to, the criteria
 12 set out in TMC 13.06.100.E, and the applicant must also manifest his or her assent to comply with
 13 all applicable laws and regulations by entering into a Conditional Home Occupation Agreement
 14 provided by the Director which will contain the code and regulatory requirements most directly
 15 applicable to each applicant’s situation.

16 B. Both the license and the Conditional Home Occupation Agreement are personal to the original
 17 applicant, and may not be assigned. If there is a change of location of the licensed home occupation,
 18 the license holder need not obtain a new license, but is required to enter into a new Conditional
 19 Home Occupation Agreement. Should the type of home occupation be changed, the license holder
 20 must obtain a new license and enter into a new Conditional Home Occupation Agreement.

21 C. “Home occupation” means a business, profession, occupation, or trade conducted for gain or
 22 support and located entirely within a residential building or a building accessory thereto, which use
 23 is accessory, incidental, and secondary to the use of the building for dwelling purposes and does not
 24 change the essential residential character or appearance of such building. The intent of this definition
 25 is to maintain consistency with Home Occupations as defined in TMC 13.06.700 of the City’s
 26 Zoning Code.

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6B.160.070 Period of redemption.

No pawnbroker shall sell any property held as security for a loan or permit to be removed from his
 or her place of business until ninety (90) days have expired from the date of the original transaction
 except when redeemed. If any interest on any such loan be paid, the time of redemption shall be
 extended for an additional period equal to the time covered by such interest payment.

No pawnbroker or dealer in secondhand goods shall sell or dispose of any article purchased by him
 or her constituting secondhand goods as herein defined, or shall remove or permit the same to be
 removed from his or her place of business or control within thirty (30) days after receipt of said
 goods has been reported to the Chief of Police or his or her designee as herein provided, except
 when returned to the owner. This section shall not apply to goods donated to charitable
 organizations.

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6B.165.100 Inspection appeal.

A. If a rental property owner does not agree with the findings of an inspection performed by a
 qualified inspector, as defined under this section, other than a city code enforcement officer, the
 property owner may request a Minimum Housing Code Inspection by a city code enforcement
 officer and pay the applicable fee.



B. If a rental property owner does not agree with the findings of an inspection performed by a city code enforcement officer under this section, the property owner may appeal as provided below:

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1. An owner may request an administrative review by the Building Official of findings of inspection, by filing a written request with the Neighborhood and Community Services Department within ten calendar days of the inspection.

2. The request shall state in writing the reasons the Building Official should review the findings. Failure to state the basis for the review in writing shall be cause for dismissal of the review. Upon receipt of the request for administrative review, the Building Official shall review the information provided.

3. Decision of Building Official. After considering all of the information provided, including information from the code enforcement officer and the City Attorney, or his or her designee, the Building Official shall affirm, or modify the findings of inspection. The Building Official's decision shall be delivered in writing to the appellant by first-class mail or hand delivery.

4. Appeals of the Decision of the Building Official to Hearing Examiner. Appeals of the Decision resulting from the Building Official's Review shall be made to the Hearing Examiner within 21 calendar days from the date of the Building Official's Decision. The hearing shall be conducted in accordance with the procedures for hearing contested cases set out in TMC 1.23. The Hearing Examiner shall set a date for hearing said appeal and notify the licensee by mail of the time and place of the hearing. After the hearing thereon the Hearing Examiner shall, after appropriate findings of fact and conclusions of law shall issue Findings of Fact and Order in writing.

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6B.170.060 Criminal Background Check/Fingerprints/Photographs.

All applicants for a solicitor's license must consent to be fingerprinted for a state and federal criminal background check and shall submit, with his or her application two current full face photographs of the applicant and one current right profile photograph of the applicant, each of said photographs to be of the size of two inches square. One full face and one right profile photograph shall become a part of the applicant's license, if issued; , and the other full face photograph shall be filed with the application. Applicants previously licensed and fingerprinted under Chapter 6B.170 may be required to again be fingerprinted if reapplication is not received within five years of initial licensing.

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6B.200.040 Bond required.

No side sewer contractor's license shall be issued until the applicant has first filed with the City a Right-of-Way bond as required by TMC 10.22.

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