ORDINANCE NO. 29008

AN ORDINANCE relating to the tax and license code; amending Subtitle 6A of the Tacoma Municipal Code, relating to the Tax Code, to add a new Chapter 6A.140, entitled "Vendor Refreshment Serving Tax", to impose an excise tax on major vendors responsible for the sale of food and beverage at specific City-owned facilities; effective January 1, 2025.

WHEREAS Tacoma Venues & Events ("TVE") Special Events' funding accounts for $733,000 in General Fund expenses each biennium, and

WHEREAS the expenses are distributed between personnel and general operating costs, production expenses for the Dr. Martin Luther King, Jr. Celebration and City of Destiny Awards, 4th of July fireworks demonstration, and community event grant funding, and

WHEREAS the current baseline budget for the latter three allocations does not meet the anticipated need in 2025-2026, and

WHEREAS, to help support the General Fund budget reduction goals and provide continued and stable funding for community-based events, TVE has proposed that current Special Event expenses be transferred to other TVE Funds, and

WHEREAS, to support these and other necessary expenses on an ongoing basis, beginning in 2025, staff proposes the City of Tacoma to implement an excise tax on the sales of all food and beverage sold on the property of City-owned indoor venues, and

WHEREAS sellers whose total daily gross revenue is below $15,000 will be exempt from such tax, and

WHEREAS this exemption shall not apply to sellers with annual gross revenue of more than $1,000,000 generated at City-owned indoor venues, and

WHEREAS this tax would be implemented starting January 1, 2025, based on the following schedule:

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

and

WHEREAS revenue derived from the tax in 2025 will be held for initial distribution in 2026, to ensure that the funds cannot be over-committed if there is an unanticipated reduction in revenue, and

WHEREAS full distribution plans will be created by TVE during 2025 and reviewed with the City Council prior to implementation in 2026; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City Council hereby adopts the Recitals of this Ordinance as its formal legislative findings.

Section 2. That Subtitle 6A of the Tacoma Municipal Code ("TMC"), "Tax Code," is hereby amended by adding a new chapter, to be known and designated as Chapter 6A.140, "Vendor Refreshment Serving Tax," to read as set forth in the attached Exhibit "A."

Section 3. That this ordinance shall be effective on January 1, 2025.

Section 4. That revenue derived from the tax in 2025 shall be held for initial distribution in 2026, and full distribution plans shall be created by Tacoma Venues & Events during 2025 and reviewed with the City Council prior to implementation in 2026.

Section 5. That the City Clerk, in consultation with the City Attorney's Office, 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"

TITLE 6
TAX AND LICENSE CODE

Chapters:

SUBTITLE 6A TAX CODE

Chapter 6A.10 General Tax Provisions
Chapter 6A.20 Admission Tax
Chapter 6A.30 Business and Occupation Tax
Chapter 6A.40 Communications Tax
Chapter 6A.50 Electricity Business and Solid Waste Collection
Chapter 6A.60 Gambling Tax
Chapter 6A.70 Local Option Taxes
Chapter 6A.80 Special Excise Tax
Chapter 6A.90 Natural or Manufactured Gas Tax
Chapter 6A.100 Utilities Gross Earnings Tax – Public Utilities
Chapter 6A.110 Property Tax Exemptions for Multi-Family Housing
Chapter 6A.140 Vendor Refreshment Serving Tax

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Chapter 6A.140
VENDOR REFRESHMENT SERVING TAX

Sections:

6A.140.010 Definitions.
6A.140.020 Persons subject to tax – rates.
6A.140.040 Exemptions.

6A.140.010 Definitions.

The following definitions shall apply throughout this chapter:

"Bulk Package" means a Package used to serve bulk beverage or food intended for more than one person.

"City owned indoor venue" includes the Tacoma Dome, Greater Tacoma Convention Center, Pantages Theater, Rialto Theater, and Theater on the Square.

"Package" means any vessel used to serve a food or beverage item. "Refreshment" means food or beverage sold at a City owned indoor venue.

"Retail price" means the price for a refreshment before sales tax or other customer paid excise tax is applied.

"Single Service Package" means a Package used to serve beverage or food intended for one person.

6A.140.020 Persons subject to tax – rates.

A. There is imposed a tax on every person engaging within the City the business of serving refreshments at City owned indoor venues for consumption on or off the premises.

B. The tax rate shall be per Single Service Package, or per Bulk Package, based on the retail price below:

Item	Tax Rate
Single Service Package $0-$4.99	$0.25
Single Service Package $5-$9.99	$0.50
Single Service Package $10-$21.99	$1.00
Single Service Package $22-$32.99	$3.00
Single Service Package $33+	$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 $350.00 or more	$45.00

6A.140.040 Exemptions.

A. This Chapter shall not apply to those persons whose combined daily gross income from sales at City owned indoor venues does not exceed $15,000. Those persons with annual gross income of more than $1,000,000 from combined sales at all City owned indoor venues shall not qualify for this exemption.