

Ordinance No. 110374

WDP

AN ORDINANCE amending the admissions tax to clarify that tax reductions during 1982, and thereafter, pertain only to certain cultural events, and not to all taxes collected by private nonprofit organizations.

1/7/82 Pass

COMPTROLLER
FILE NUMBER _____

Council Bill No. 102788

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| INTRODUCED: DEC 14 1981 | BY: <i>Executive</i> |
| REFERRED: DEC 14 1981 | TO: <i>Finance</i> |
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| REFERRED: | |
| REPORTED: JAN 11 1982 | SECOND READING: JAN 11 1982 |
| THIRD READING: JAN 11 1982 | SIGNED: JAN 11 1982 |
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| PASSED OVER VETO: | VETO SUSTAINED: |



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ORDINANCE 110374

AN ORDINANCE amending the admissions tax to clarify that tax reductions during 1982, and thereafter, pertain only to certain cultural events, and not to all taxes collected by private nonprofit organizations.

WHEREAS, the City approved C.B. #102734 reducing admissions taxes for certain activities of private, nonprofit organizations; and

WHEREAS, C.B. #102734 must be clarified to express the scope of the tax reduction; Now, Therefore;

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective on the effective date of C.B. #102734, Section 5.40.020 of the Seattle Municipal Code (as last amended by C.B. 102734) is amended as follows:

5.40.020 TAX LEVIED -- EXEMPTIONS.

A. There is levied and imposed a tax upon everyone without regard to age, who pays an admission charge as defined in Section 5.40.010; provided, that such tax shall not apply to anyone paying an admission charge of Ten Cents (\$0.10) or less or to any activity of any elementary or secondary school as contemplated by RCW 35.21.280, or to an opera, concert, dance recital or like musical entertainment, a play, puppet show or dramatic reading, an exhibition of painting, sculpture, or artistic or historical objects, or to a museum, historic vessel, or science center, when a college or university or nonprofit tax-organization, as defined in Section 5.40.010 and registered under Section 5.40.080, publicly sponsors and performs such activity, and receives the use and benefit of admission charges collected; provided, further, that during 1982 the foregoing exclusion from taxation shall not apply when a guest artist or other person supplies the major portion of the materials on exhibition or of the performance of such activity of the

1 nonprofit tax-exempt organization.

2 B. The tax here imposed shall be in the amount of
3 five percent on each admission charge or charge for season
4 or series ticket; provided, until January 1, 1983, the tax
5 imposed upon taxable admissions to the ~~((cultural events))~~
6 activities itemized in sub-section A, above, charged by a
7 ~~((private, nonprofit))~~ college, universities or nonprofit
8 tax-exempt organizations for events featuring guest artists
9 shall be in the amount of two and one-half percent (2-1/2%)
10 on each admission charge or charge for season or series
11 tickets, for each admission to live entertainment; and
12 thereafter, no tax shall be applied to such admissions to
13 ~~((cultural events))~~ the itemized activities featuring guest
14 artists charged by ~~((private, nonprofit))~~ colleges, universities
15 or nonprofit tax-exempt organizations. Any fraction of tax
16 one-half cent or more shall result in a tax at the next
17 highest full cent.

18 C. Amounts paid for admission by season ticket or
19 subscription shall be exempt if the amount which would be
20 charged to the holder or subscriber for a single admission
21 is fifteen cents or less.

22 D. Anyone having the use of a box or seat permanently
23 or for a specified period, shall pay in addition to the tax
24 required for admission under subsections A and B of this
25 section a tax in the amount of five percent of the price of
26 such box or seat, the same to be collected and remitted in the
27 manner provided in Section 5.40.070 by the person selling
28 such tickets.

Section 2. Any act consistent with the authority and
prior to the effective date of this ordinance is hereby
ratified and confirmed.

(To be used for all Ordinances except Emergency.)

Section...3. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 11th day of January, 1982,
and signed by me in open session in authentication of its passage this 11th day of
January, 1982.

Janet Williams
President..... of the City Council.

Approved by me this 19th day of January, 1982.

Charles Royce
Mayor.

Filed by me this 19th day of January, 1982.

Attest: *Jim Hill*
City Comptroller and City Clerk.

(SEAL)

Published.....

By *Theresa Dambon*
Deputy Clerk.

Your
Seattle

Department of Licenses and Consumer Affairs

Regina L. Glenn, Director
Charles Royer, Mayor



COPY OF WITHIN RECEIVED

December 3, 1981

DEC 9 1981

The Honorable Douglas Jewett
City Attorney
City of Seattle
01-10-01

Simpson

Douglas N. Jewett
CITY ATTORNEY

*Olney
DHS*

Attn: Don Stout, Director, Advisory Division

Re: Amendment to the Admissions Tax Ordinance

Dear Mr. Stout:

In drafting the 1982 Budget the City Council also approved an amendment to Seattle Municipal Code 5.40.020 (Admissions Tax). The amendment was contained in C.B. 102734 which was adopted by the City Council on November 30, 1981. (See attached)

Since the Council's approval of this bill we have received numerous calls from the public and non-profit organizations concerning the scope of the amendment. It is our understanding that the City Council intended to levy a 2½% tax on admissions charged by non-profit organizations for guest artist performances (i.e., those organizations and events referenced in the last proviso of Part A, SMC 5.40.020). A number of individuals believe that the ordinance would allow payment of the 2½% tax (as opposed to the 5% tax) on the admissions charged for sporting events and other events - not necessarily guest artists.

In short, I am requesting a formal opinion clarifying C.B. 102616 and stating whether C.B. 102616 includes non-guest artist events sponsored by nonprofits (not necessarily nonprofit tax-exempt organizations) in the 2½% tax rate provision.

An equal employment opportunity - affirmative action employer.

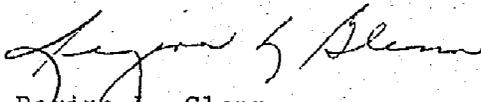
City of Seattle—Department of Licenses and Consumer Affairs, Consumer Affairs Division, 102 Seattle Municipal Building, Seattle, Washington 98104, (206) 625-5500

The Honorable Douglas Jewett
December 3, 1981
Page 2

In the alternative, if you feel that an amendment to C.B. 102734 is more appropriate please let me know and we will prepare the necessary legislative package. I believe that deleting the phrase "private, nonprofit organization" and substituting the phrase "nonprofit tax-exempt organization, as defined in Section 5.40.010" would resolve any confusion over which organizations and events fall under the 2½% rate, and which would pay admissions tax at the 5% rate.

Since the effective date of this amendment is fast approaching a quick response would be deeply appreciated.

Sincerely,


Regina L. Glenn
Director

RLG:lr

cc: John Saven, Budget Director
Peter Moy, Director, Legislative Audits

ORDINANCE 116374

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WHEREAS, the City approved C.B. #102734 reducing admissions taxes for certain activities of private nonprofit organizations; and

WHEREAS, C.B. #102734 must be clarified to express the scope of the tax reduction. Now, Therefore:

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B. The tax here imposed shall be in the amount of five percent on each admission charge or charge for season or series ticket; provided, until January 1, 1983, the tax imposed upon taxable admissions to the ((cultural events)) activities itemized in sub-section A, above, charged by a ((private nonprofit)) college, universities or nonprofit tax-exempt organizations for events featuring guest artists shall be in the amount of two and one-half percent (2-1/2%) on each admission charge or charge for season or series tickets for each admission to live entertainment, and thereafter, no tax shall be applied to such admissions to ((cultural events)) the itemized activities featuring guest artists charged by ((private nonprofit)) colleges, universities or nonprofit tax-exempt organizations. Any fraction of tax one-half cent or more shall result in a tax at the next highest full cent.

C. Amounts paid for admission by season ticket or subscription shall be exempt if the amount which would be charged to the holder or subscriber for a single admission is fifteen cents or less.

D. Anyone having the use of a box or seat permanently or for a specified period, shall pay in addition to the tax required for admission under subsections A and B of this section a tax in the amount of five percent of the price of such box or seat, the same to be collected and remitted in the manner provided in Section 5.40.070 by the person selling such tickets.

Section 2. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 3. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council this 11th day of January, 1982, and signed by me in open session in authentication of its passage this 11th day of

JANUARY 1982

Approved by me this 17th day of January, 1982

Filed by me this 17th day of January, 1982

ALLEN Tim Hill City Commissioner and City Clerk

(SEAL)

By: J. Hanson, Dunbar Deputy Clerk

Publication ordered by TIM HILL, Comptroller and City Clerk. Date of Official Publication in the Daily Journal of Commerce, Seattle, January 21, 1982. (C-995)

The City of Seattle--Legislative Department

MR. PRESIDENT:

Date Reported
and Adopted

JAN 11 1982

Your Committee on

to which was referred
C.B. 102788

Amending the admissions tax to clarify that tax reductions during 1982, and thereafter, pertain only to certain cultural events, and not to all taxes collected by private nonprofit organizations.

Norman B. Rise

Chairman

nr

Chairman

Committee

Committee

C-995

Affidavit of Publication

**STATE OF WASHINGTON
KING COUNTY—SS.**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below

stated period. The annexed notice, a
Ordinance No. 110374

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was published on January 21, 1982

J. Summers

Subscribed and sworn to before me on

January 21, 1982

J. M. Halgo

Notary Public for the State of Washington,
residing in Seattle.