

CODE

**CITY OF REDMOND
ORDINANCE NO. 2942**

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AMENDING RMC 5.44, OCCUPATION TAX, SECTIONS 5.44.020, 5.44.050, 5.44.060, 5.44.070, AND 5.44.180, TO CHANGE THE RATE OF THE CABLE SERVICE TAX AS WELL AS MAKE ADMINISTRATIVE CHANGES NECESSARY TO REFLECT CURRENT BUSINESS PRACTICES

WHEREAS, the City of Redmond currently levies annual license fees and occupation taxes on certain business activities; and

WHEREAS, upon every person engaging in or carrying on the business of constructing, operating and maintaining a cable subscriber system or cable modem service for television, radio and other audio-visual electrical signal distribution is taxed equal to three percent (3%) of gross income; and

WHEREAS, all other occupation taxes are levied on businesses subject to the tax at a rate of six percent (6%) of gross income; and

WHEREAS, the Redmond City Council desires to raise the occupation tax on cable services to six percent (6%) of gross income, consistent with all other business subject to the tax, to support basic City operations; and

WHEREAS, the language in the occupation tax code shall be updated to reflect current business practices.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City Code.

Section 2. Amendment of Section. RMC 5.44.020, Definitions, Subsection (D), is hereby amended to read as follows:

5.44.020 Definitions.

(D) "Tax year or taxable year" means the year commencing January 1st and ending on December 31st, of such year [~~, OR IN LIEU THEREOF, THE TAXPAYER'S FISCAL YEAR WHEN PERMISSION IS OBTAINED FROM THE FINANCE DIRECTOR TO USE THE SAME AS THE TAX PERIOD, OR IN LIEU THEREOF, COMMENCING DECEMBER 15TH AND ENDING DECEMBER 14TH OF THE NEXT FOLLOWING CALENDAR YEAR WHEN PERMISSION IS OBTAINED FROM THE FINANCE DIRECTOR TO USE THE PERIOD AS THE TAX YEAR~~].

Section 3. Amendment of Section. RMC 5.44.050, Occupations subject - Rate, is hereby amended to read as follows:

5.44.050 Occupations subject - Rate.

(A) There are levied and shall be collected annual license fees and occupation taxes against the persons designated on account of the business activities, and in the amounts to be determined by the application of the respective rates against gross income as follows:

(1) Telephone Business. Upon every person engaged in or carrying on any telephone business within the city, a fee or tax equal to six percent of the total gross income, including revenues from intrastate long-distance toll service, from such business in the city during the current calendar year for which a license is required.

(2) Electric Light and Power. Upon every person engaged in or carrying on the business of furnishing electric light and power within the city, a fee or tax equal to six percent of the total gross income from such business in the city during the current calendar year for which a license is required.

(3) Natural or Manufactured Gas. Upon every person engaged in or carrying on the business of transmitting, distributing, selling and furnishing natural and/or manufactured gas, a tax equal to six percent of the total gross income from such business derived from the sale of gas within the city during the calendar year for which a license is required.

(4) Cable Service. Upon every person engaged in or carrying on the business of constructing, operating and maintaining a cable subscriber system or cable modem service for television, radio and other audiovisual electrical signal distribution, a tax equal to [~~THREE~~] six percent of the total gross income from such business derived from the sale of cable services within the City during the calendar year of which a license is required.

Section 4. Amendment of Section. RMC 5.44.060, Return required - Due dates and payment, is hereby amended to read as follows:

5.44.060 Return required - Due dates and payment.

The tax imposed by this chapter, except the annual fee required to accompany the application for the occupation registration, shall be due and payable in monthly installments. The remittance shall be made as hereinafter provided and shall be accompanied by a return on a form to be provided and prescribed by the finance director. The return and remittance shall be [~~IN THE FINANCE DIRECTOR'S OFFICE~~] **postmarked** by 5:00 p.m. Pacific time, on or before the last day of each month succeeding the end of the month in which the tax accrued. The taxpayer shall be required to swear or affirm in writing on the return that the information therein given is full and true and that the taxpayer knows it to be so. Whenever the total tax for which any person is liable under this chapter does not exceed the sum of \$~~[15.00]~~ **50.00** for any monthly period, [~~AN ANNUAL~~] **a quarterly** return may be made upon written [~~REQUEST AND SUBJECT TO THE APPROVAL OF THE FINANCE DIRECTOR~~] **notification to the City of Redmond**. Whenever a taxpayer commences to engage in business during any monthly period, his or her first return and tax shall be based upon and cover the

portion of the month during which he or she engaged in business.

Section 5. Amendment of Section. RMC 5.44.070, Payment procedure, is hereby amended to read as follows:

5.44.070 Payment procedure.

The tax shall be paid at the time the tax return is filed [~~WITH THE FINANCE DIRECTOR~~]. If payment is made by check, the tax shall not be deemed paid until the check is honored in the usual course of business; nor shall the acceptance of any sum by the finance director be an acquittance or discharge of the tax due unless the amount of payment is in full and is the actual amount due.

Section 6. Amendment of Section. RMC 5.44.180, Penalty for late payment - Interest, is hereby amended to read as follows:

5.44.180 Penalty for late payment - Interest.

(A) For each payment due, if such payment is not made by the due date and time thereof, there shall be added penalties and interest as follows:

(1) For each month or portion thereof that the payment is overdue, a penalty of five percent of the

tax due shall be imposed, provided, that the total penalty imposed shall not exceed a total of 25 percent.

~~[(2) IN ADDITION TO THE PENALTIES IMPOSED, INTEREST ON THE AMOUNT DUE SHALL ACCRUE AT THE RATE OF EIGHT PERCENT PER ANNUM FROM THE DATE OF THE DELINQUENCY.]~~

(B) The finance director is authorized to waive all or any portion of the penalties ~~[AND INTEREST PROVIDED]~~ herein in the event that the director determines that late payment was the result of excusable neglect or extreme hardship. **All fee waiver requests must be received in written or email form.**

Section 7. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 8. Effective date. This ordinance shall become effective five days after its publication, or publication

of a summary thereof, in the city's official newspaper, or as otherwise provided by law.

ADOPTED by the Redmond City Council this 4th day of December, 2018.

CITY OF REDMOND



JOHN MARCHIONE, MAYOR

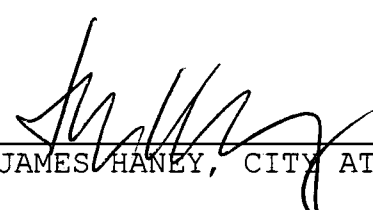
ATTEST:



MICHELLE M. HART, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:



JAMES HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK: November 20, 2018
PASSED BY THE CITY COUNCIL: December 4, 2018
SIGNED BY THE MAYOR: December 7, 2018
PUBLISHED: December 10, 2018
EFFECTIVE DATE: December 15, 2018
ORDINANCE NO. 2942

YES: BIRNEY, CARSON, FIELDS, MARGESON, MYERS, PADHYE
NO: ANDERSON