

CITY OF SEATTLE

RESOLUTION _____

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A RESOLUTION supporting the taxation of big businesses in Seattle to fund housing and essential services, urging the Washington State Legislature to oppose any “preemption” or other ban on Seattle’s ability to raise revenue through big business taxes or other progressive revenue sources, and requesting the Office of Intergovernmental Relations communicate this resolution to Washington State Lawmakers.

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WHEREAS, on May 14, 2018, the Seattle City Council passed Council Bill 119250 establishing a tax on Seattle’s largest businesses, projected to raise an estimated \$48 million per year to fund affordable housing and homeless services; and

WHEREAS, on June 12, 2018, the Seattle City Council passed Council Bill 119280 repealing that tax on Seattle’s largest businesses; and

WHEREAS, in January, 2020, McKinsey & Company issued a report, “Why does prosperous King County have a homelessness crisis?”, which found that, “Using a conservative set of assumptions, ending the homelessness crisis in King County would therefore cost between \$4.5 billion and \$11.0 billion over ten years, or between \$450.0 million and \$1.1 billion each year for the next ten years”; and

WHEREAS, the high cost of housing in Seattle has made renting or owning a home increasingly unaffordable, not only for people with the least income, but also for many working people; and

WHEREAS, in January 2020, the Tax Amazon movement in Seattle organized hundreds of people into a political fight for affordable social housing to be funded through a \$300-\$500 million per year progressive tax on Seattle’s largest businesses; and

WHEREAS, on January 30, 2020, Washington State House Bill 2907, and on February 3, 2020, Washington State Senate Bill 6669, were introduced in the Washington State Legislature,

1 which would authorize King Country to tax businesses to raise no more than an estimated
2 \$121 million per year countywide to fund housing and services; and

3 WHEREAS, HB 2907 and SB 6669 do not directly tax businesses, and instead give King County
4 a limited option to tax businesses; and

5 WHEREAS, the largest businesses in King County have been widely reported to have advocated
6 for HB 2907 and SB 6669 to include a ban on the City of Seattle from enacting these big
7 business taxes, known as “preemption”; and

8 WHEREAS, on February 5, 2020, the Seattle Times reported that state legislators are “undecided
9 on how the bill should deal with cities,” and “have not made up [their] mind about
10 preemption”; and

11 WHEREAS, Seattle Mayor Jenny Durkan has not publicly opposed preemption, banning the City
12 of Seattle from taxing big business to pay for housing and essential services; and

13 WHEREAS, the maximum business tax authorized in HB 2907 and SB 6669 is far from
14 adequate to match the scale of the housing and homelessness crisis in King County
15 detailed in the McKinsey report; and

16 WHEREAS, if HB 2907 and SB 6669 include preemption, banning Seattle from enacting taxes
17 on big business, it would do permanent damage to our city’s ability to raise the
18 progressive revenues commensurate with our residents’ needs; NOW, THEREFORE,

19 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THAT:**

20 Section 1. The Seattle City Council supports progressive taxes, which collect revenue
21 from big business and the super-rich, and oppose regressive taxation, which disproportionately
22 places the tax burden on the poor, working people, ordinary homeowners, and small businesses.

1 The Seattle City Council supports the taxation of big businesses in Seattle to fund housing and
2 essential services

3 Section 2. The Seattle City Council urges the Washington State Legislature to oppose any
4 preemption or other ban on Seattle’s ability to raise revenue through big business taxes or other
5 progressive revenue sources. The Seattle City Council opposes the passage of any legislation
6 which preempts the city from taxing big business, and urges the Washington State Legislature to
7 reject any amendment to HB 2907 and SB 6669 which would include preemption;

8 Section 3. The Seattle City Council finds the maximum tax rate in HB2907 and SB 6669
9 to be far from adequate to address the housing and homelessness crisis in King County, and
10 urges the Washington State Legislature to remove the limit on the authority to tax big business
11 granted to the King County in these bills.

12 Section 4. The Seattle City Council urges Mayor Jenny Durkan to defend the City of
13 Seattle’s authority to tax big business, and to publicly oppose all efforts to include preemption in
14 HB 2907 and SB 6669.

15 Section 5. The Seattle City Council requests that the Office of Intergovernmental
16 Relations communicate this resolution to Washington State Lawmakers.

