

ORDINANCE NO. 2010-46

AN ORDINANCE of the City of Bainbridge Island, Washington, relating to business and occupation tax and amending Section 5.05.050 of the Bainbridge Island Municipal Code.

WHEREAS, RCW 35.21.710 authorizes cities to levy and collect a tax not to exceed two-tenths of one percent (.2%) on the gross income of persons doing business within the city;

WHEREAS, at a Special City Council Meeting on October 19, 2010, the City Council passed a motion to lower the threshold for the imposition of business and occupation tax for 2011 and again for 2012 and thereafter;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Section 5.05.050 of the Bainbridge Island Municipal Code is hereby amended to read as follows:

5.05.050 Imposition of the tax – Tax or fee levied

A. In addition to the business license fee required by Chapter 5.04 BIMC, and except as provided in subsection B of this section or elsewhere in this chapter, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the city, whether the person's office or place of business be within or without the city. The tax shall be in amounts to be determined by the application of rates against gross proceeds of sale, gross income of business, or value of products, including byproducts, as the case may be, as follows:

1. Upon every person engaging within the city in business as an extractor, as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including byproducts, extracted for sale or for commercial or industrial use, multiplied by the rate of one-tenth of one percent. The measure of the tax is the value of the products, including byproducts, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

2. Upon every person engaging within the city in business as a manufacturer, as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including byproducts, manufactured, multiplied by the rate of one-tenth of one percent. The measure of the tax is the value of the products, including

byproducts, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the city.

3. Upon every person engaging within the city in the business of making sales at wholesale, [~~except persons taxable under subsection _____ of this section;~~] as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of one-tenth of one percent.

4. Upon every person engaging within the city in the business of making sales at retail, as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business, without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of one-tenth of one percent.

5. Upon every person engaging within the city in the business of (a) printing; (b) both printing and publishing newspapers, magazines, periodicals, books, music and other printed items; (c) publishing newspapers, magazines and periodicals; (d) extracting for hire; and (e) processing for hire, as to such person, the amount of tax on such business shall be equal to the rate of one-tenth of one percent.

6. Upon every person engaging within the city in the business of making sales of retail services, as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of one-tenth of one percent.

7. Upon every other person engaging within the city in any business activity other than or in addition to those enumerated in this section, as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of one-tenth of one percent. This subsection includes but is not limited to (regardless of whether title to material used in the performance of such business passes to another by accession, merger or other than by outright sale) persons engaged in the business of developing or producing custom software or of customizing canned software, producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

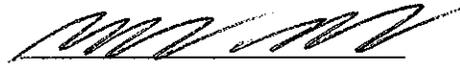
B. For 2011, ~~The~~ gross receipts tax imposed in this section shall not apply to any person whose gross proceeds of sales, gross income of the business, and value of products, including byproducts, as the case may be, from all activities conducted within the city during ~~any calendar year 2011~~ is equal to or less than ~~\$200,000~~250,000. Persons with gross income exceeding ~~\$200,000 for 2011~~250,000 per year shall be taxed only on the amount of

gross income exceeding \$200,000~~250,000~~ per year. For 2012 and thereafter, the gross receipts tax imposed in this section shall not apply to any person whose gross proceeds of sales, gross income of the business, and value of products, including byproducts, as the case may be, from all activities conducted within the city during any calendar year is equal to or less than \$150,000. Persons with gross income exceeding \$150,000 per year for 2012 and thereafter shall be taxed only on the amount of gross income exceeding \$150,000 per year.

Section 2. This ordinance shall take effect and be in force on January 1, 2011 after its passage, approval, and publication as required by law.

PASSED BY THE CITY COUNCIL this 1st day of December, 2010.

APPROVED BY THE MAYOR this 1st day of December, 2010.



Bob Scales, Mayor

ATTEST/AUTHENTICATE:



Rosalind D. Lassoff, City Clerk

FILED WITH THE CITY CLERK:	November 10, 2010
PASSED BY THE CITY COUNCIL:	December 1, 2010
PUBLISHED:	December 3, 2010
EFFECTIVE DATE:	January 1, 2011
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