



Local Government Partnership

June 1, 2012

Brad Flaherty, Director
Vikki Smith, Deputy Director



Agenda



- | | |
|----------------------|----------------------------------|
| 8:30 – 9:00 | Registration |
| 9:00 – 9:10 | Welcome and Introductions |
| 9:10 – 9:40 | Forecast Council presentation |
| 9:40 – 9:50 | Business Licensing Service (BLS) |
| 9:50 – 10:10 | Local Sales Tax – Rate Changes |
| 10:10 – 10:25 | Local Tax System Project |
| 10:25 – 10:35 | 2012 Legislation |
| 10:35 – 10:50 | Break |

Agenda



- 10:50 – 11:20 Municipal B&O Model Ordinance & Lodging Tax Reporting
- 11:20 – 11:30 Streamlined Sales Tax Mitigation
- 11:30 – 11:45 League Fees
- 11:45 – 12:00 Confidential Tax Information
- 12:00 – 12:15 Federal Legislation
- 12:15 – 12:20 Parking Fees
- 12:20 – 12:25 Property Tax – Banked Levy Capacity
- 12:25 – 12:30 Miscellaneous Updates and Closing

Washington State Economic Outlook

Presented to
Local Government Partnership

Steve Lerch
Interim Executive Director

June 1, 2012
Olympia, Washington



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

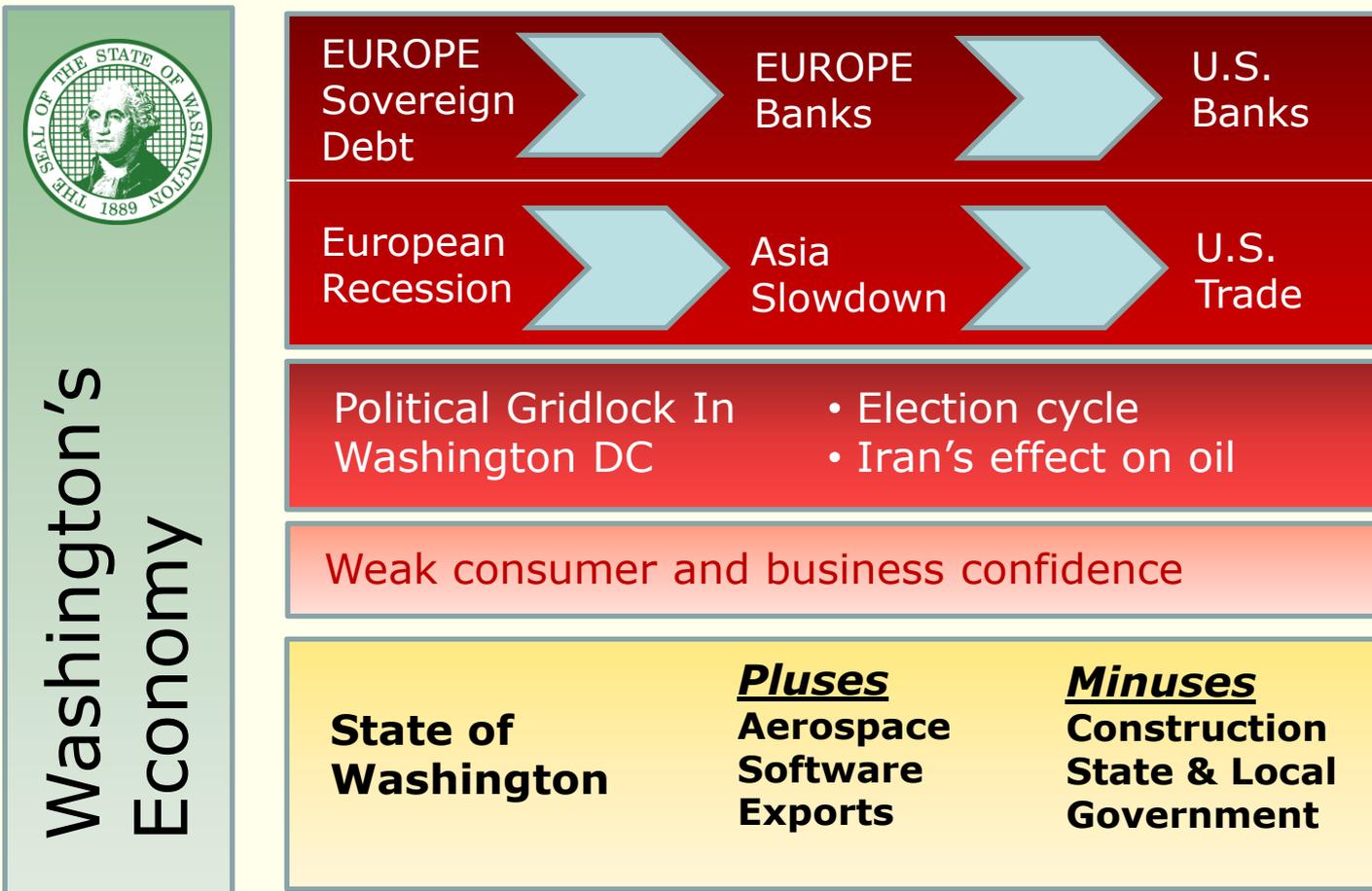


Summary

- Events are unfolding as expected in the February forecast
- However, the uncertainty in the baseline remains very high
- Revenues since the February forecast are \$9.6 million (0.3%) above expectations
- Factors outside the state are mostly responsible for the states current distress
- Overall, the Washington economy is growing slowly, although the construction and state and local government sectors have been flat to declining



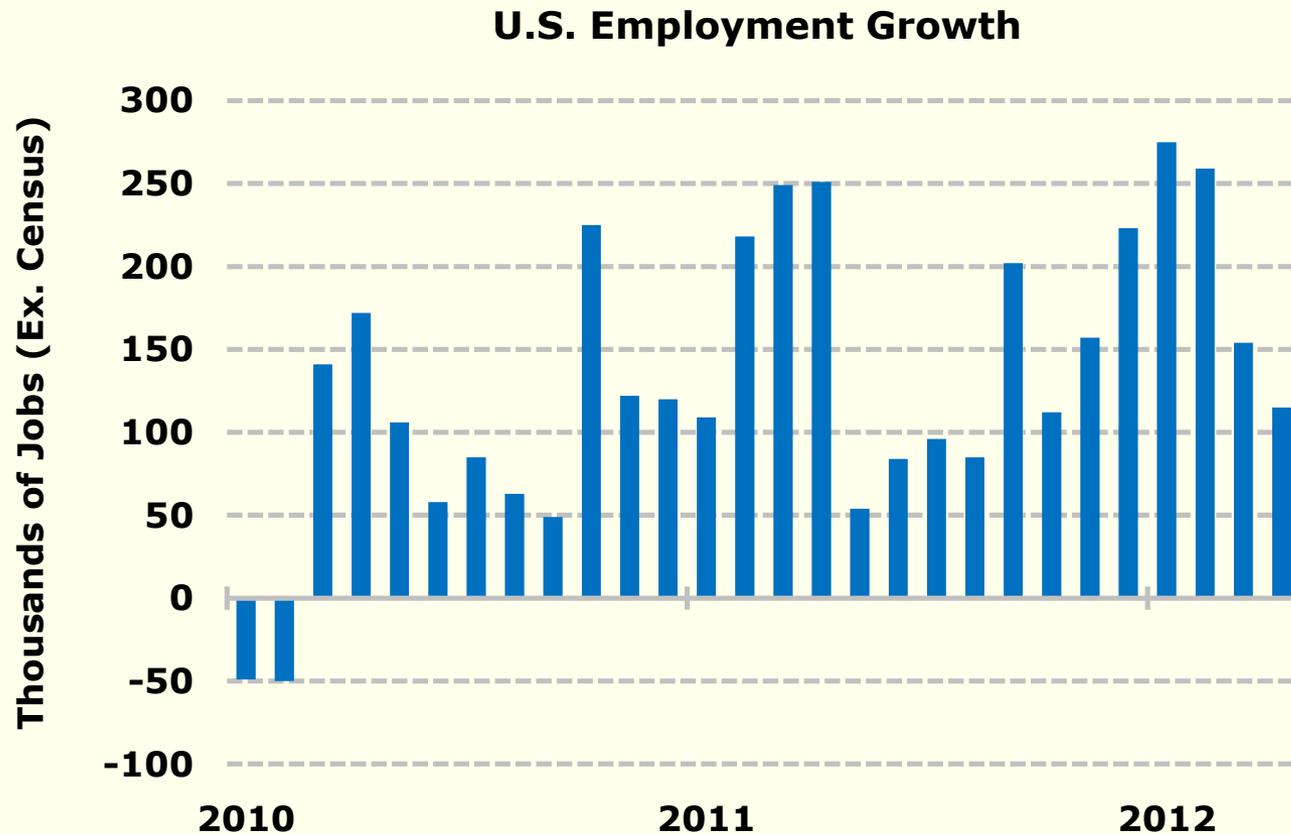
The state's risk matrix shows most risks from outside state



Source: ERFC



Recent job growth looks like the false starts in 2010 & 2011

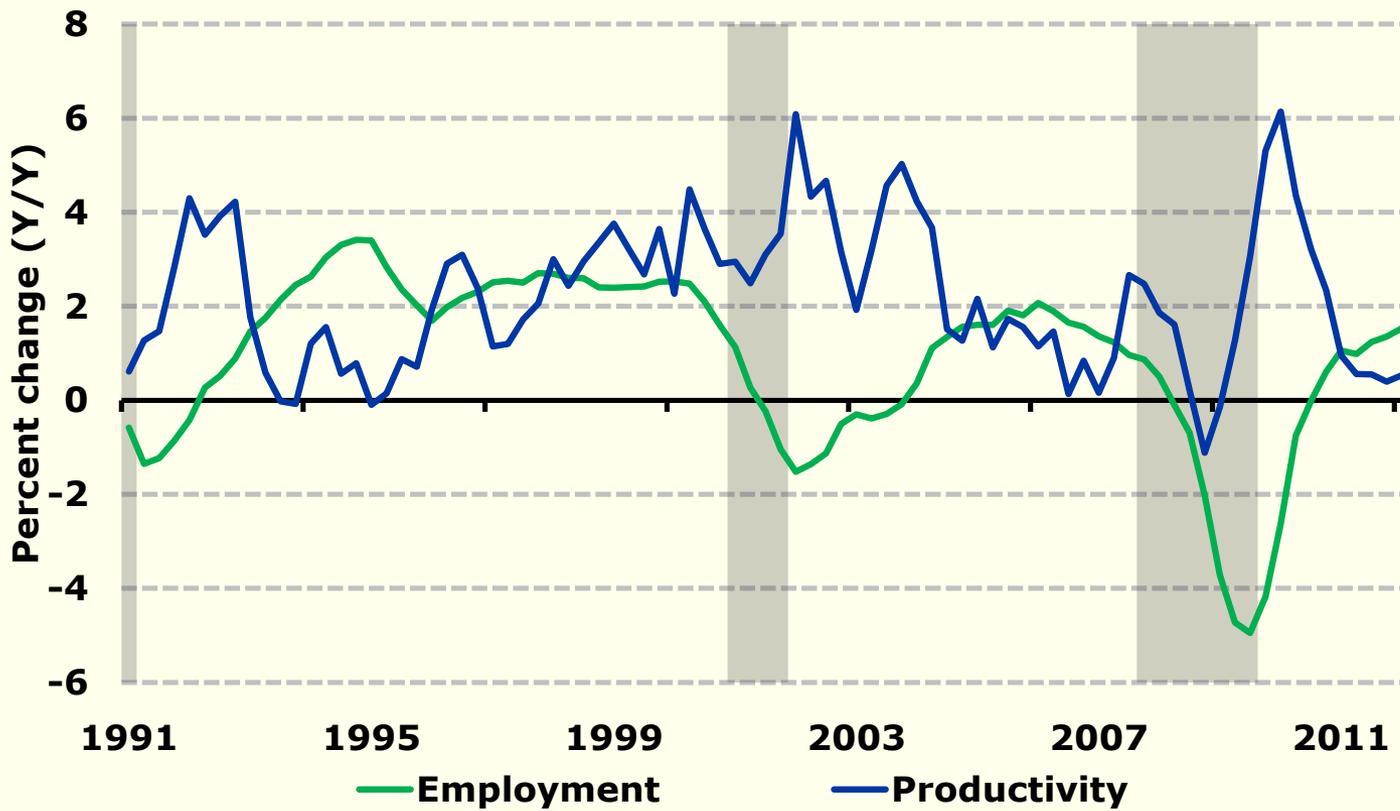




Employment growth was aided by 2011 slowdown in labor productivity growth

Any increase in final demand will translate to job growth after labor productivity declines.

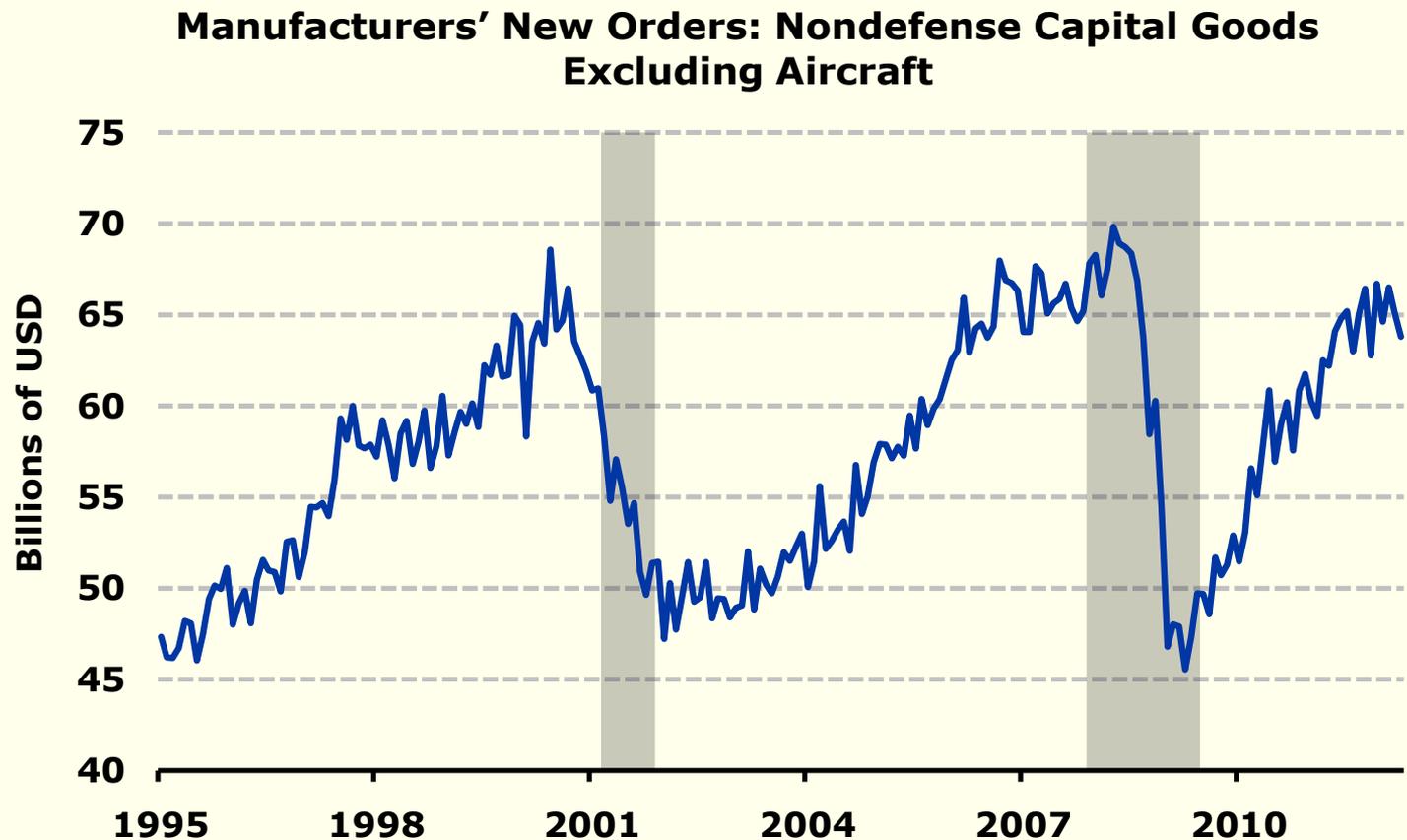
U.S. Employment & Labor Productivity Growth



Source: BLS; data through 2012 Q1

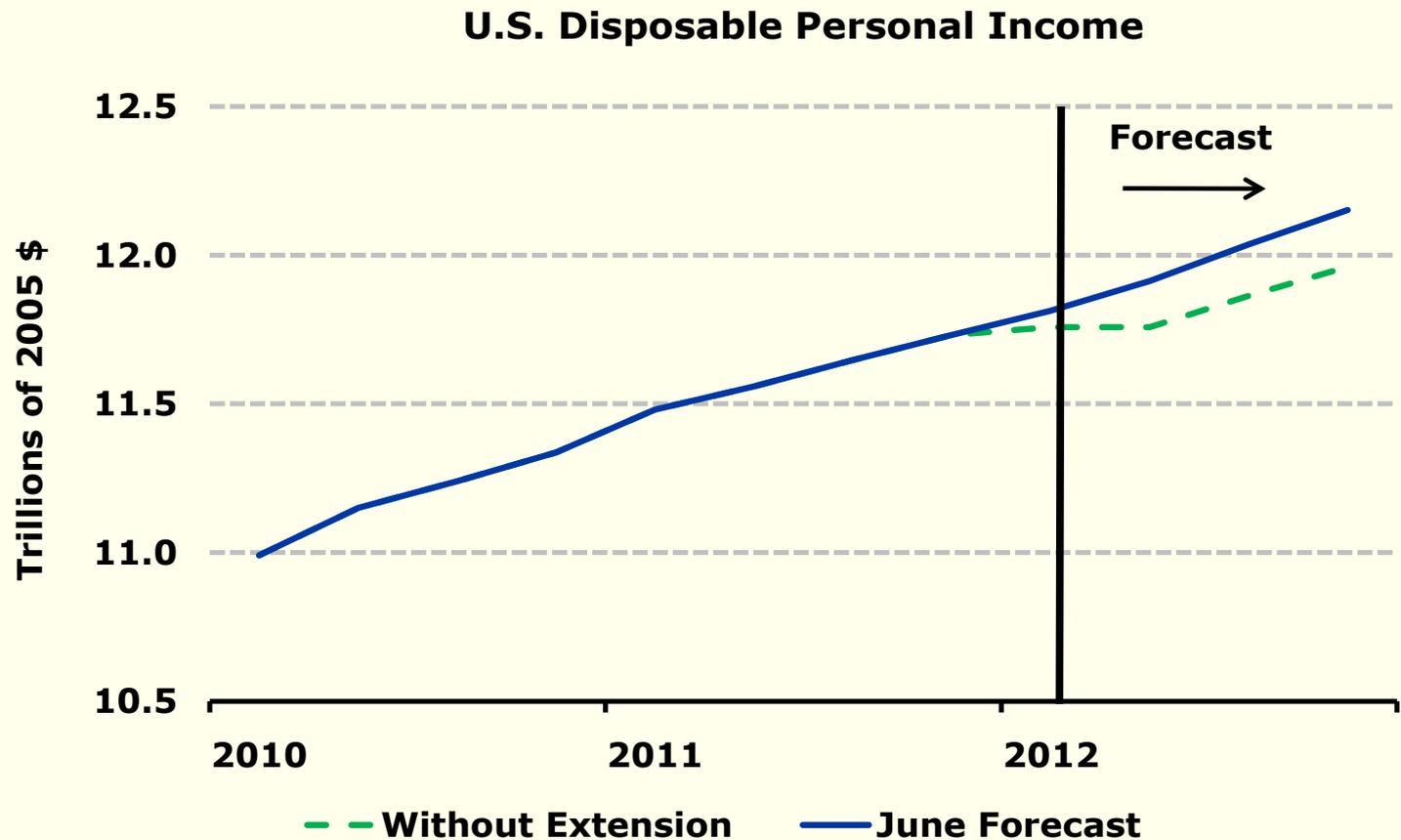


Spending on equipment appears to be stalling





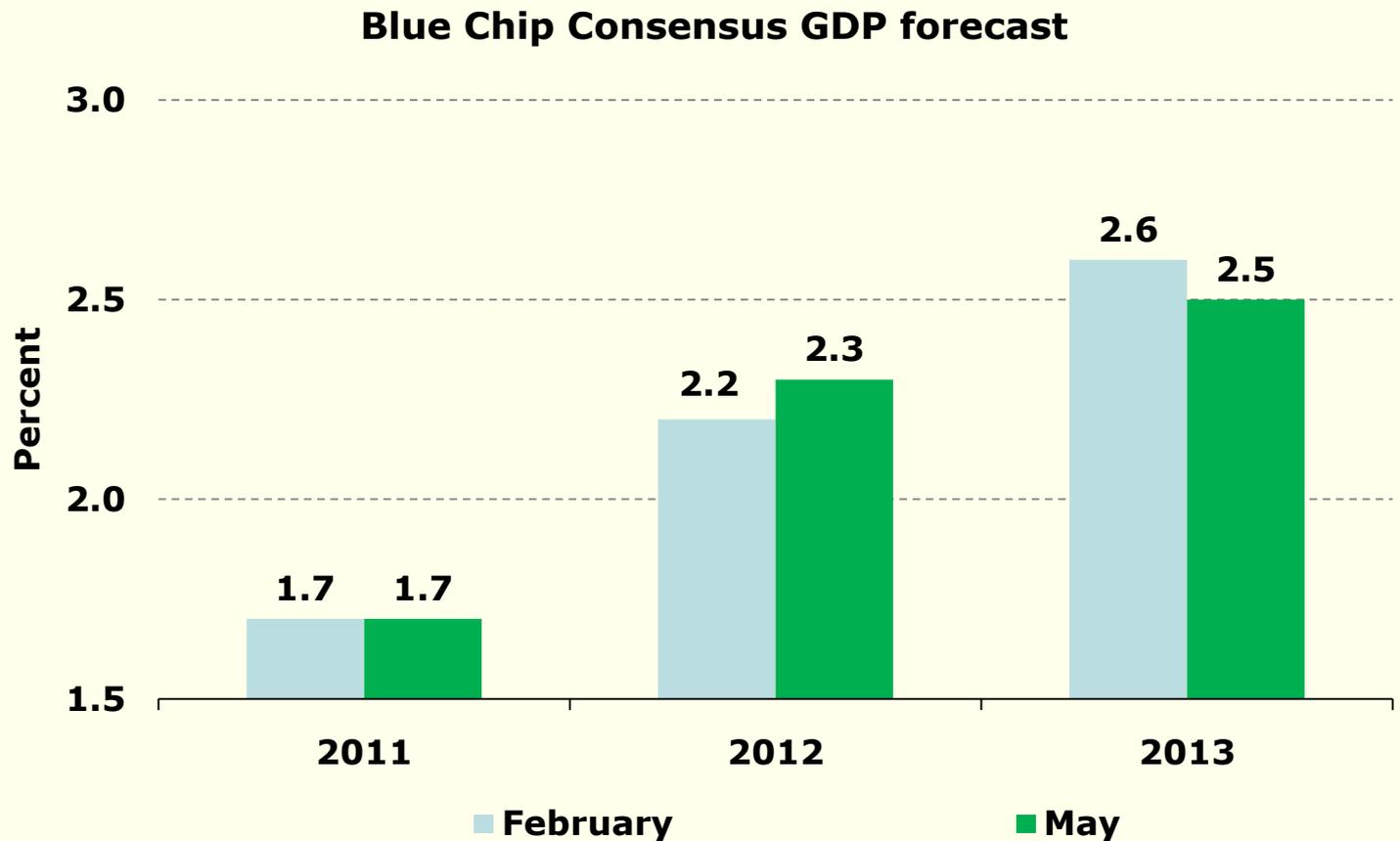
Payroll tax cuts and unemployment insurance benefits have been extended



Source: ERFC June 2012 Preliminary forecast; actual data through 2012Q1



The consensus economic outlook has been fairly steady recently



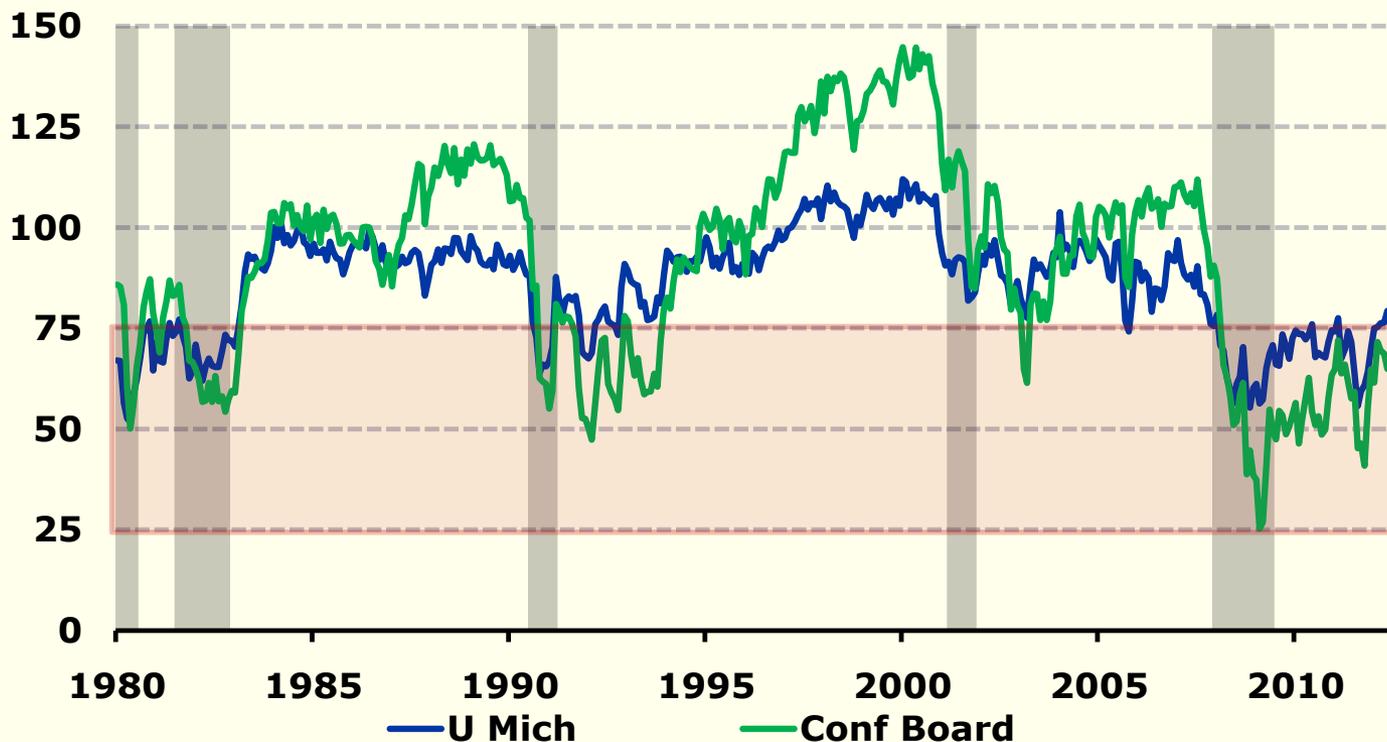


Consumer confidence is showing some signs of firming, but still weak

Index

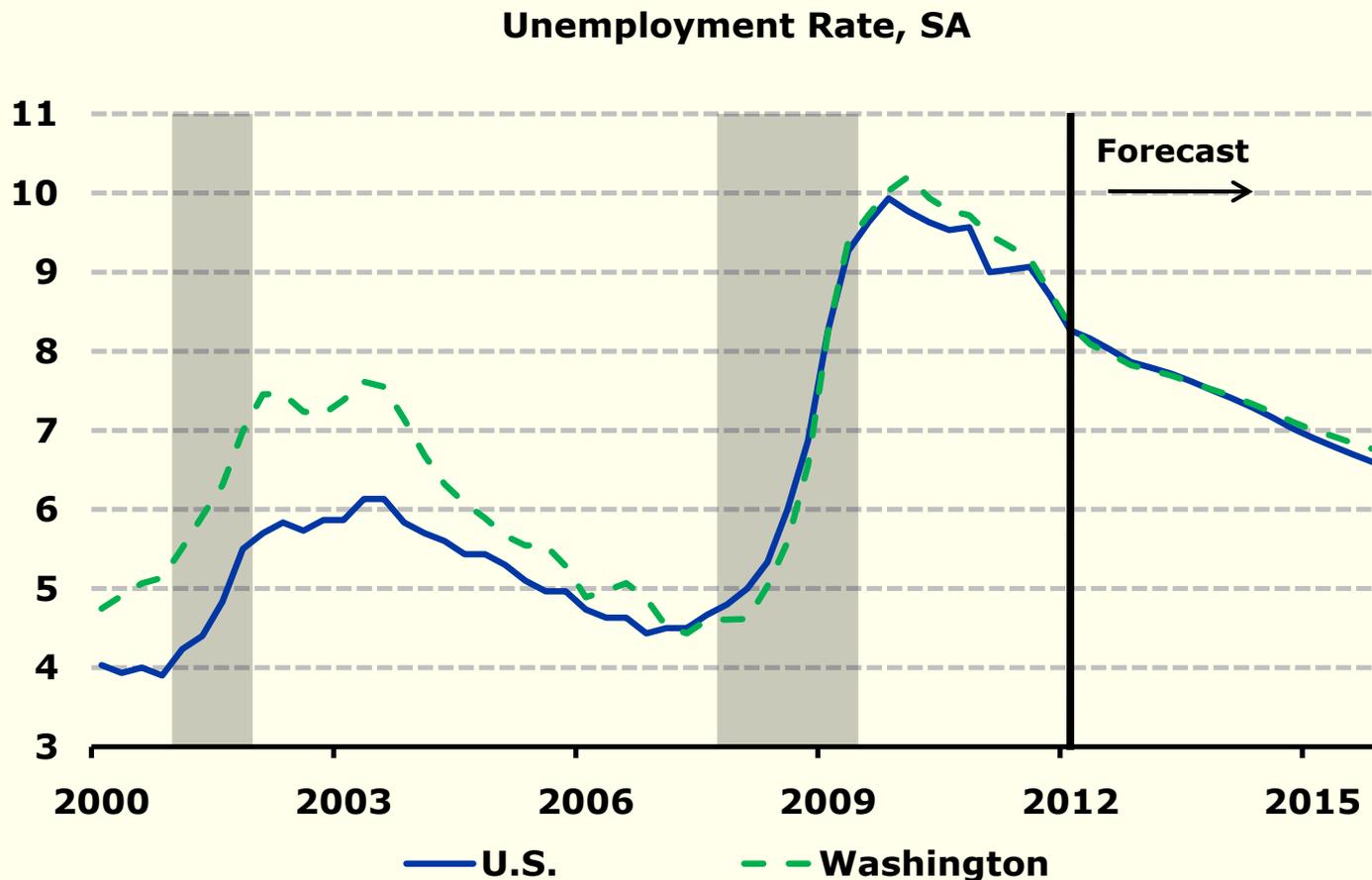
Mich: 1966Q1 = 100, SA

Conf Board: 1985 = 100, SA





Unemployment will remain high

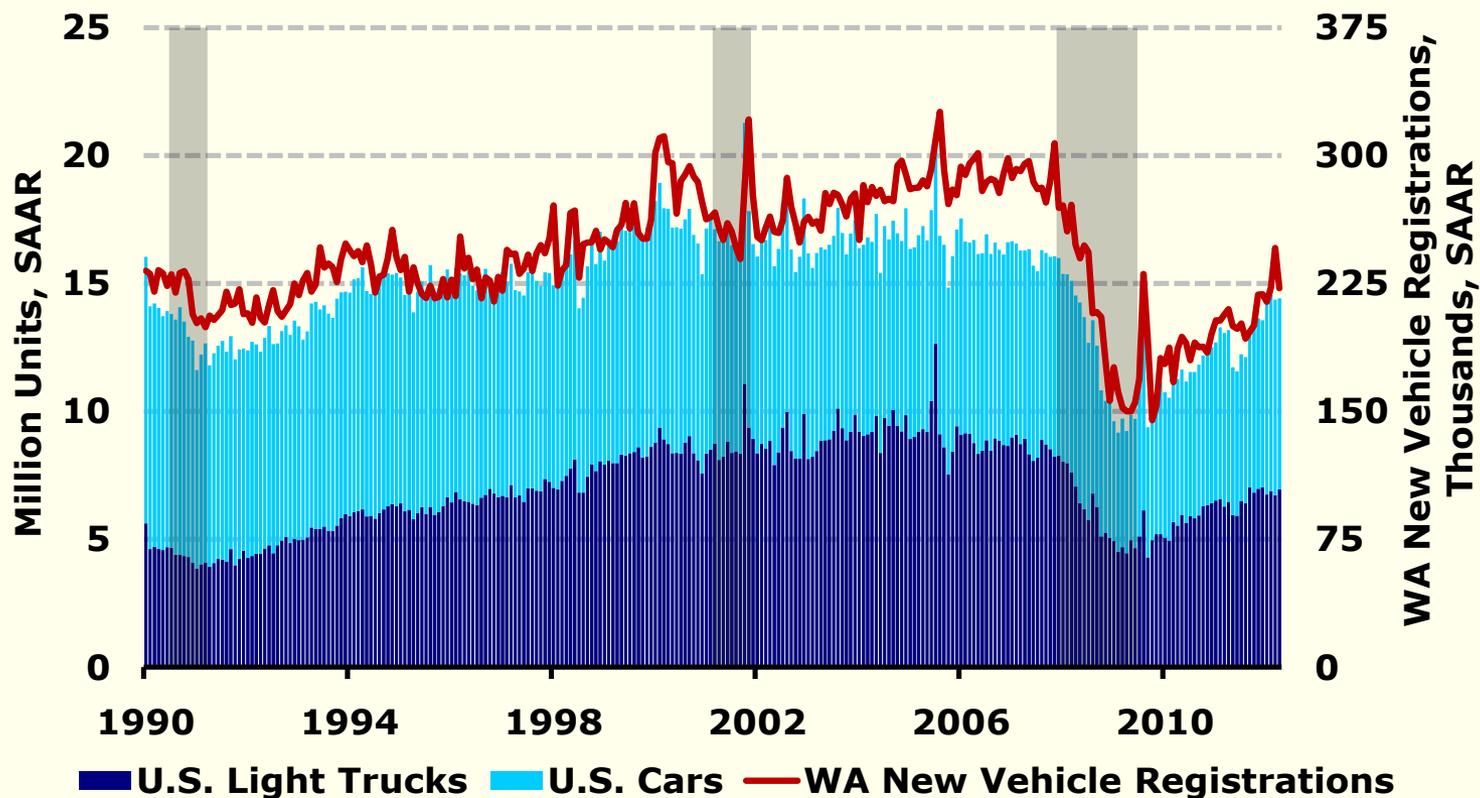


Source: ERFC June 2012 Preliminary forecast; actual data through 2012Q1



Vehicle sales are growing again

U.S. LMV sales in April were up 9.5% year over year.



Source: Autodata Corporation, WA DOL; data through April 2012



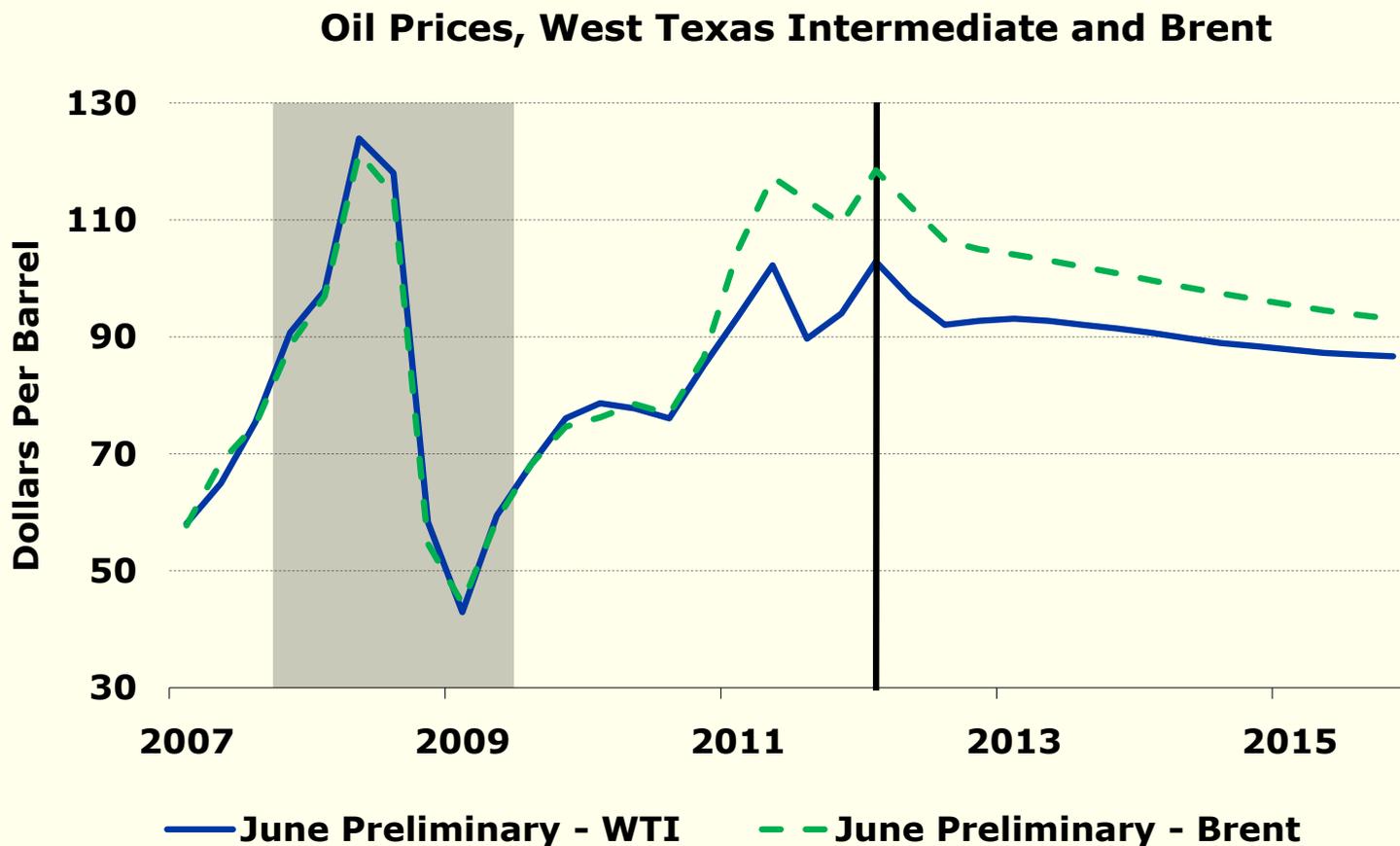
Don't be fooled by a rising WTI price

Brent prices usually track very close to, but slightly below, WTI prices but the relationship has been disrupted by transportation bottlenecks.

These bottlenecks are expected to ease going forward.

U.S. average oil prices are much more closely related to global prices than WTI prices.

Steve Lerch, PhD
01 June 2012
Slide 15



Source: CME Group, Intercontinental Exchange, Inc., Global Insight, ERFC; data through first quarter, 2012

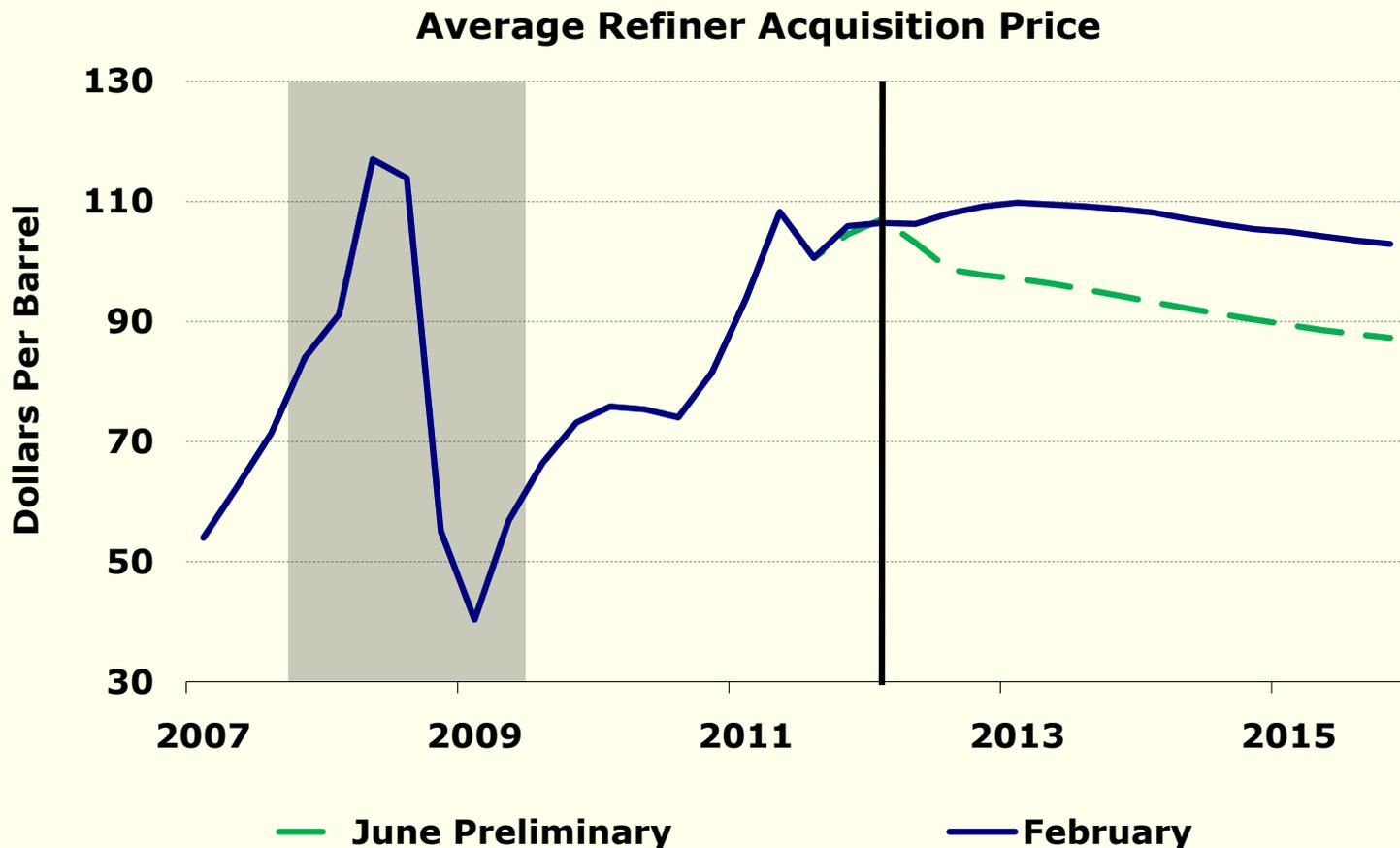


The oil price that matters is lower and declining faster than expected

The average refiner's acquisition price is the oil price variable that affects the overall forecast. It is driven mainly by global prices but is also affected by the WTI price.

The latest futures prices indicate that oil will decline sooner and more rapidly than expected in February. Of course, the outlook for oil remains fluid.

Steve Lerch, PhD
01 June 2012
Slide 16



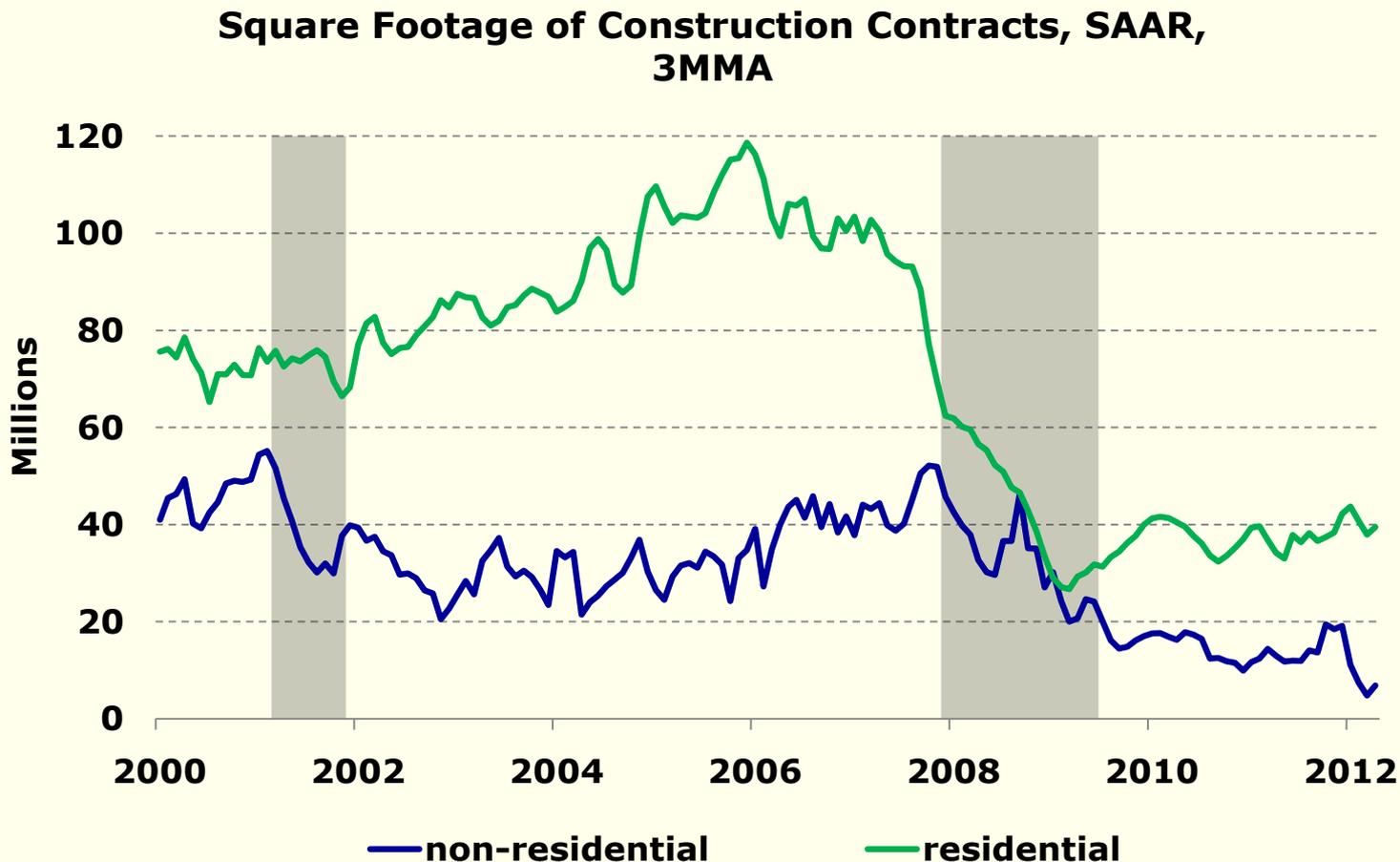
Source: CME Group, Intercontinental Exchange, Inc., Global Insight, ERFC; data through first quarter, 2012



Contract data signal more weakness in non-residential construction

Residential square footage is up 17%, and value up 18% year over year (3mma).

Non-Residential square footage is down 48%, and value is down 52% year over year (3mma).



Source: Dodge, ERFC; data through April 2012



Housing permits relative to population will still be below historic levels in 2015



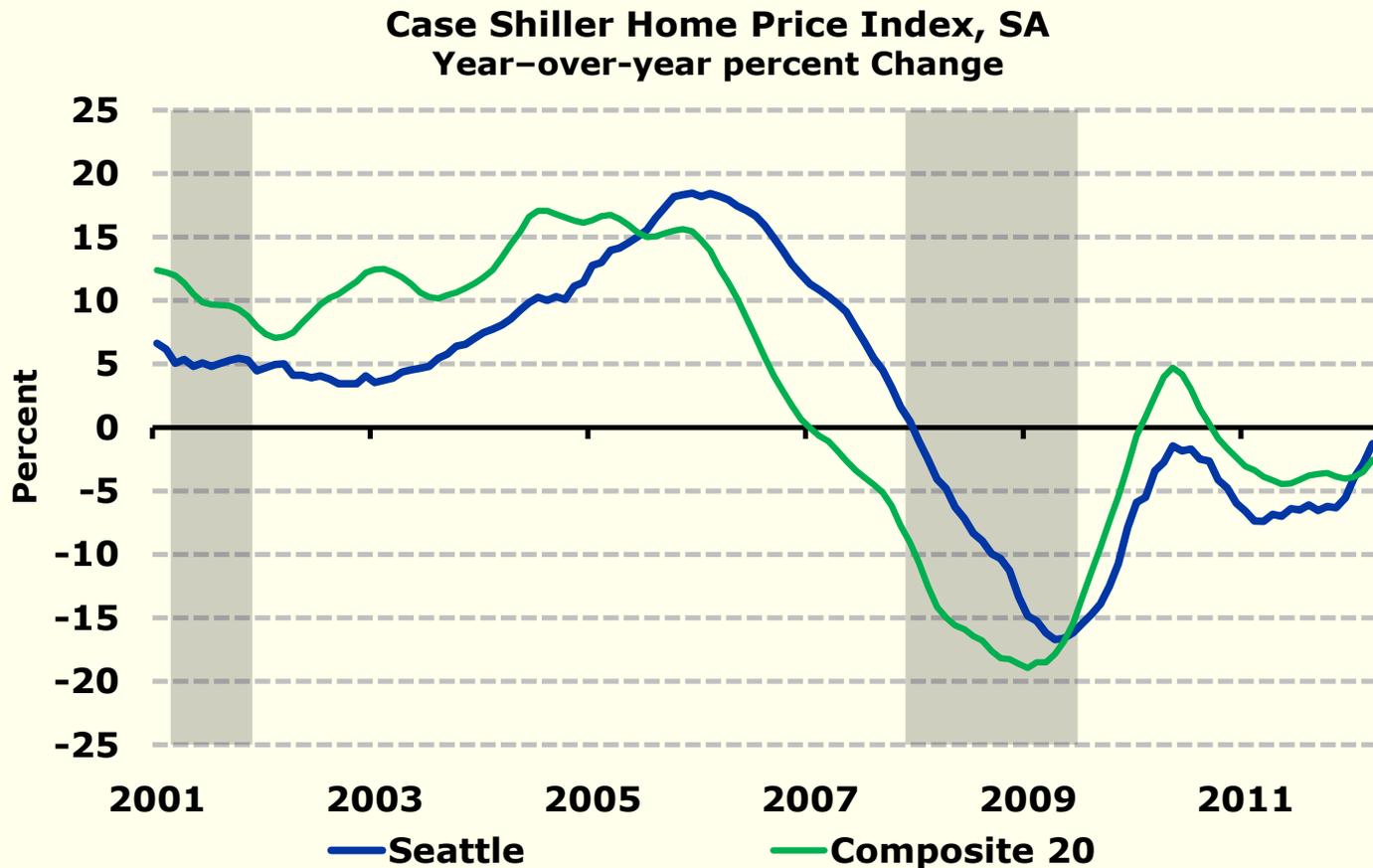


Single-family home prices are beginning to stabilize

Mar 2012

U.S. is
down
2.6%

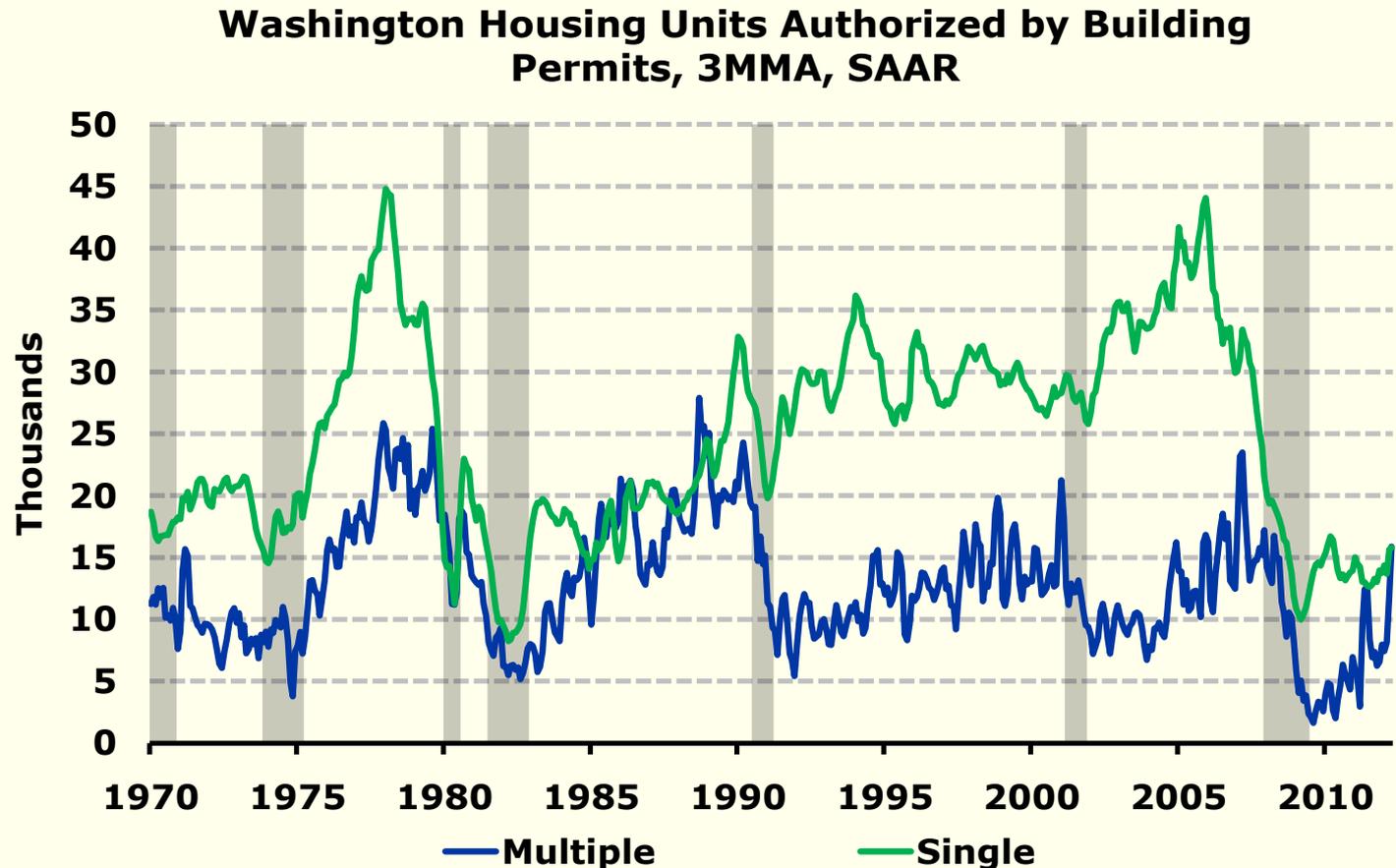
Seattle is
down
1.3%



Source: S&P/Case-Shiller; data through Mar 2012



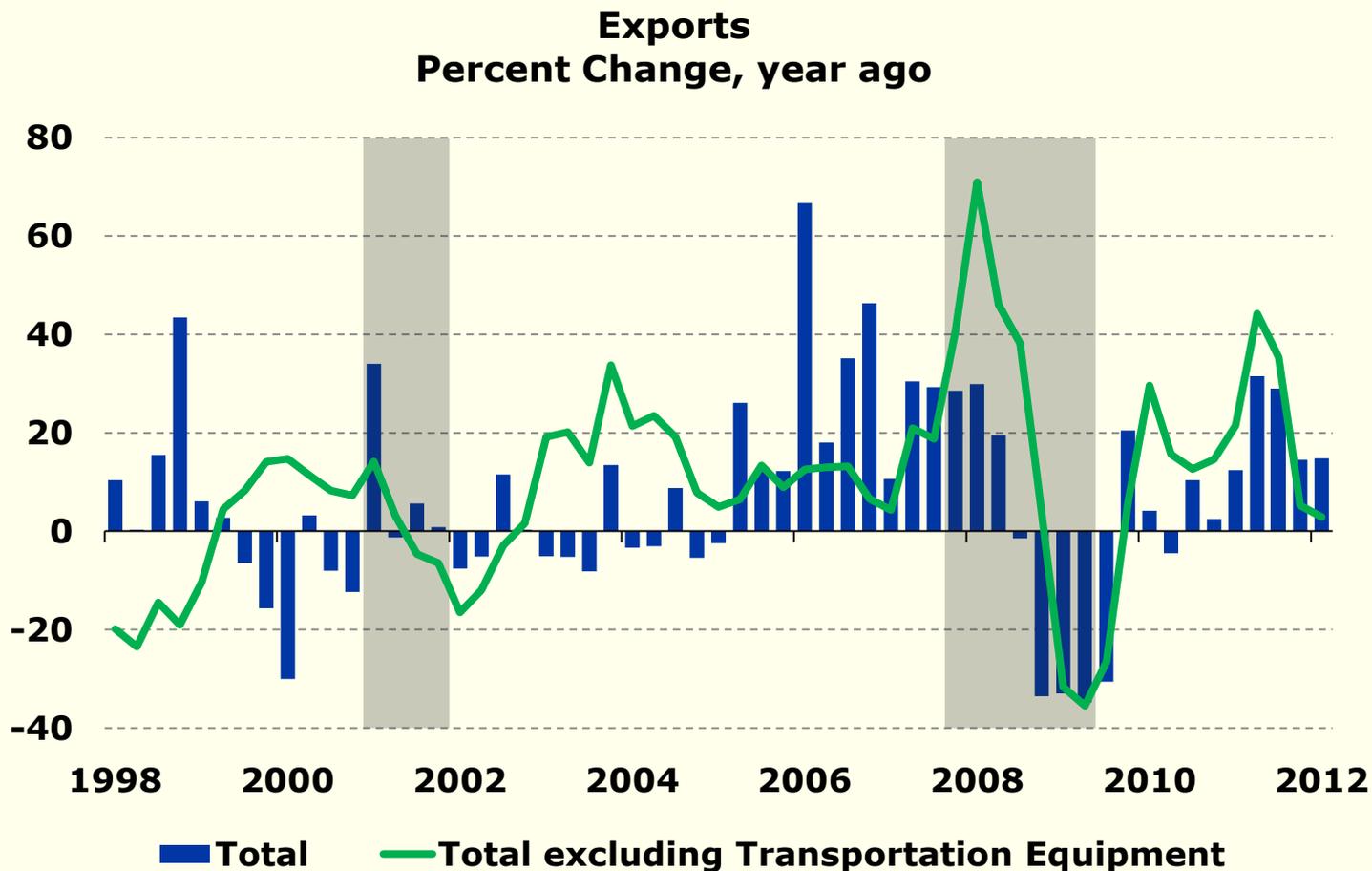
WA multi-family building permits are improving





WA export growth is slowing

Trans.
Equip.
exports
were up
63% year
over year in
Q1

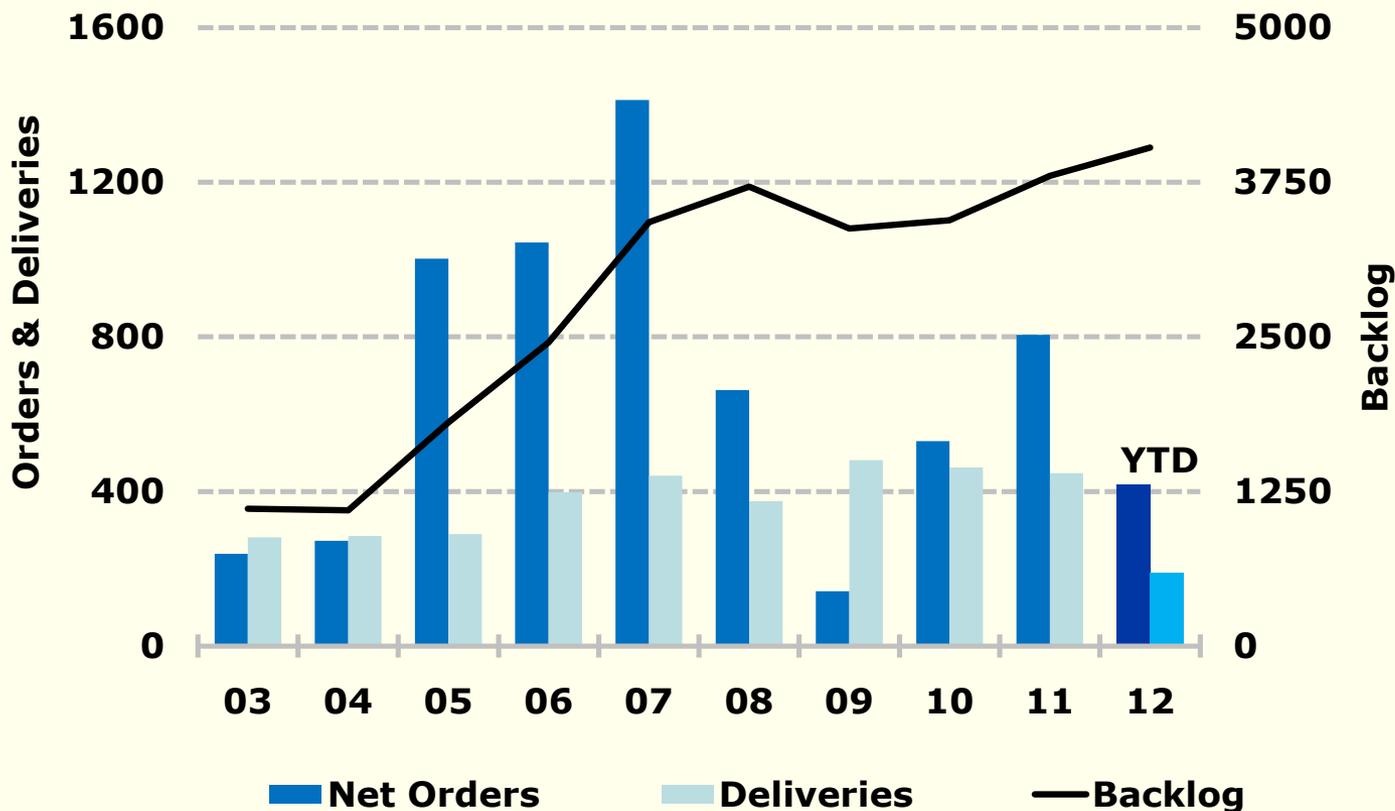


Source: Wisier Trade Data; through 2012 Q1



Boeing has over 7 years of commercial orders on its books

Excludes the military's new refueling tanker

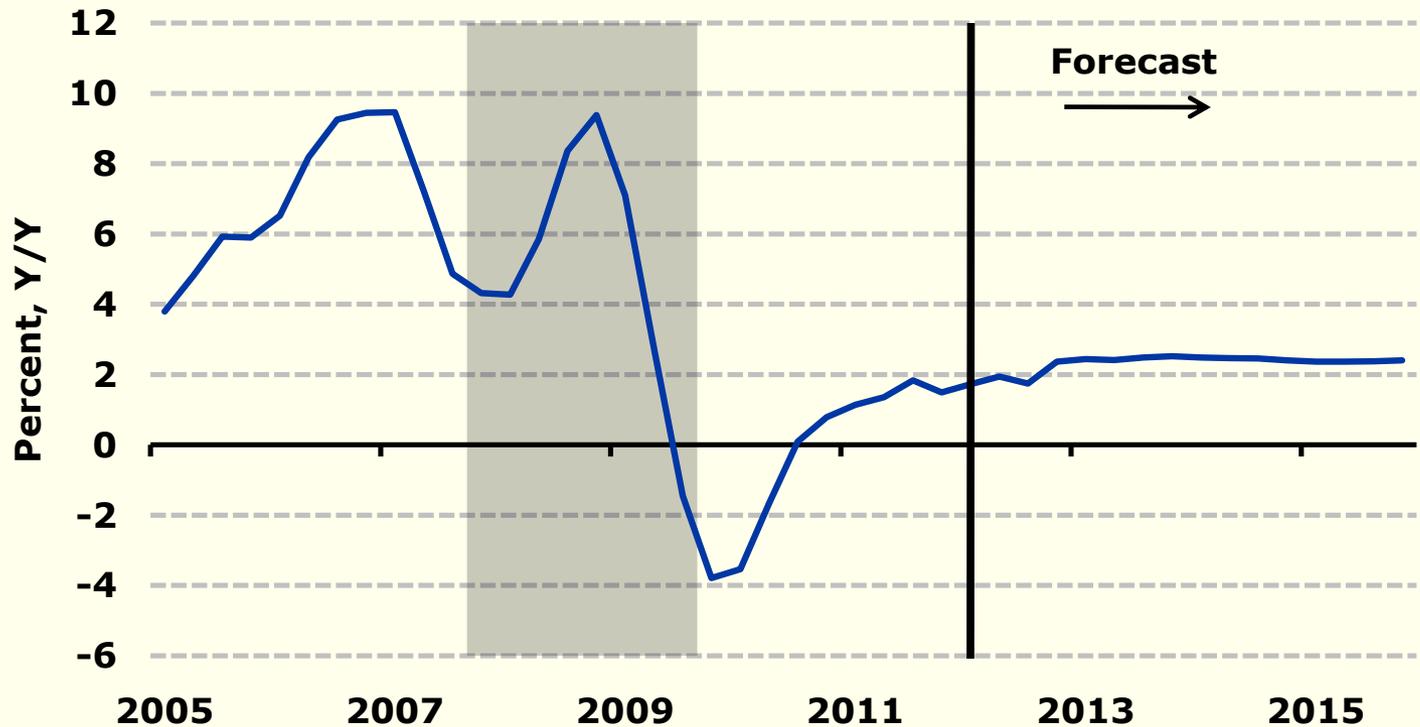


Source: Boeing, data through May 2012



Software publishing employment is expected to slightly outperform overall employment

Washington Software Publishing Employment, SA



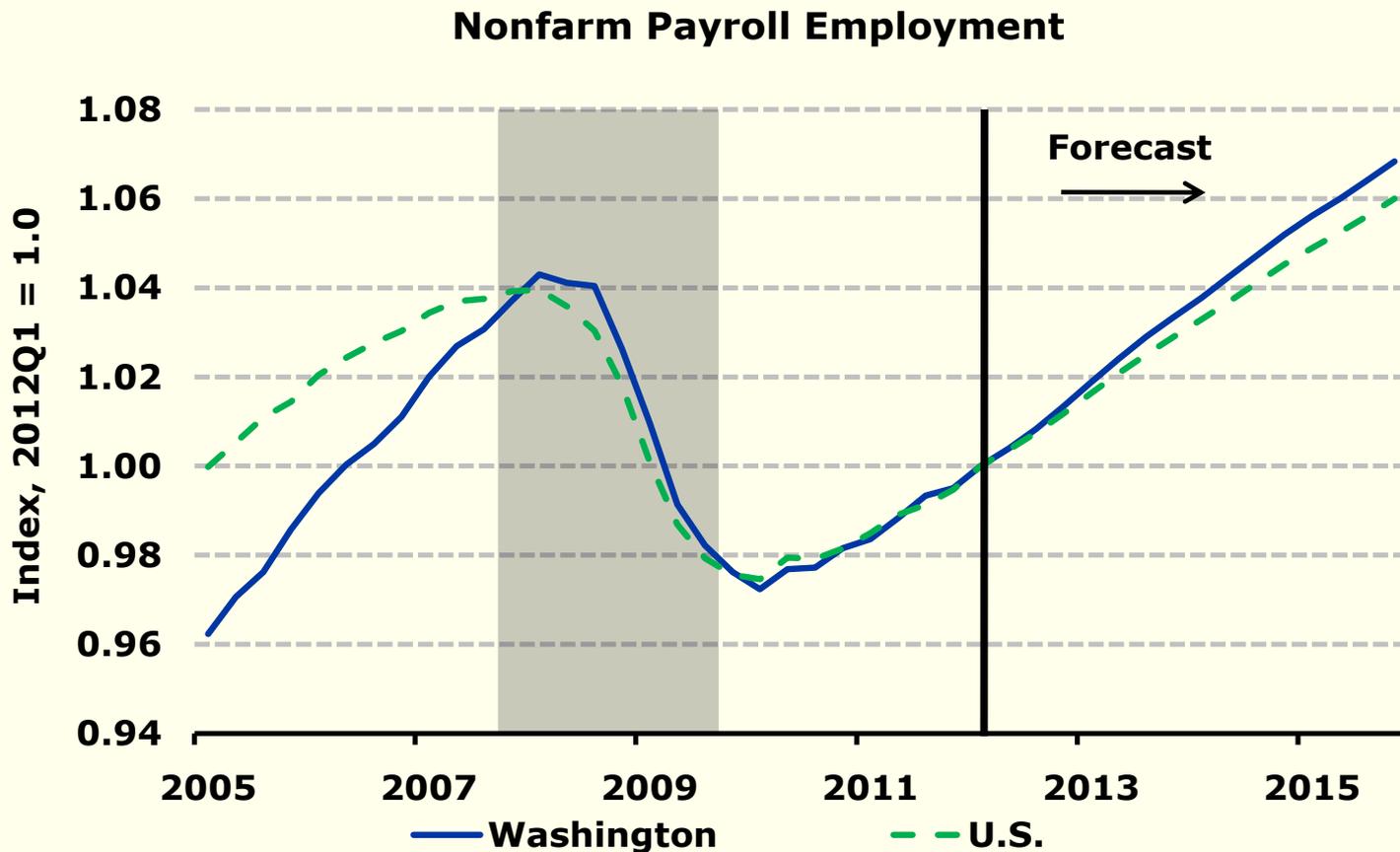


WA employment will recover slightly faster than the U.S.

Date of regaining peak:

WA:
2014Q3

U.S.:
2014Q3



Source: ERFC June 2012 Preliminary forecast; actual data through 2012Q1

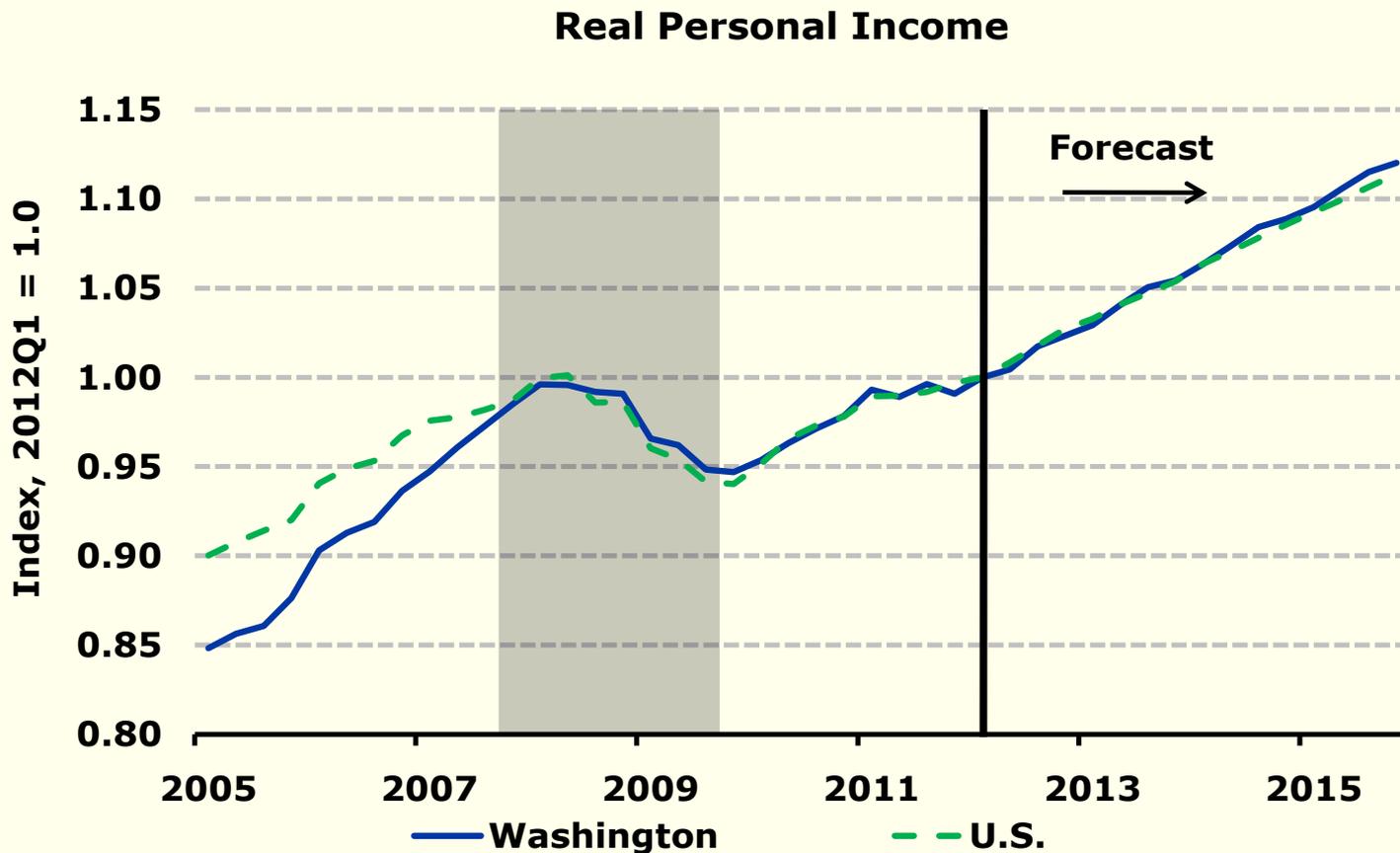


WA personal income will recover slightly faster than the U.S.

Date of regaining peak:

WA:
2012Q1

U.S.:
2012Q2



Source: ERFC June 2012 Preliminary forecast; actual data through 2012Q1



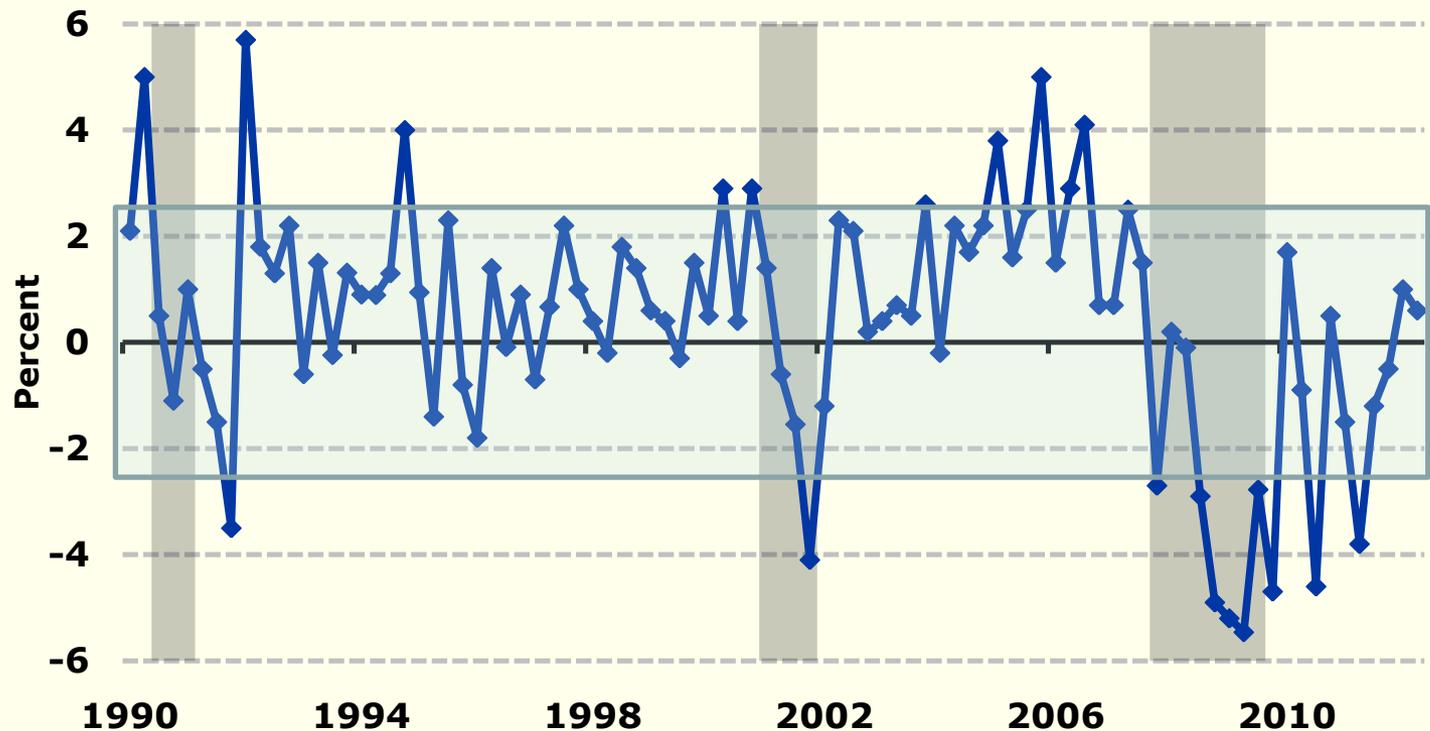
Revenue collections so far are very slightly above the February forecast

As of May 10th, cumulative collections were \$9.6 million (0.3%) above the February forecast

Taking into account \$7.2 million in large unexpected refunds, the adjusted variance is \$16.8 million (0.6%)

Steve Lerch, PhD
01 June 2012
Slide 26

Average Adjusted* Monthly Inter-Forecast Variance



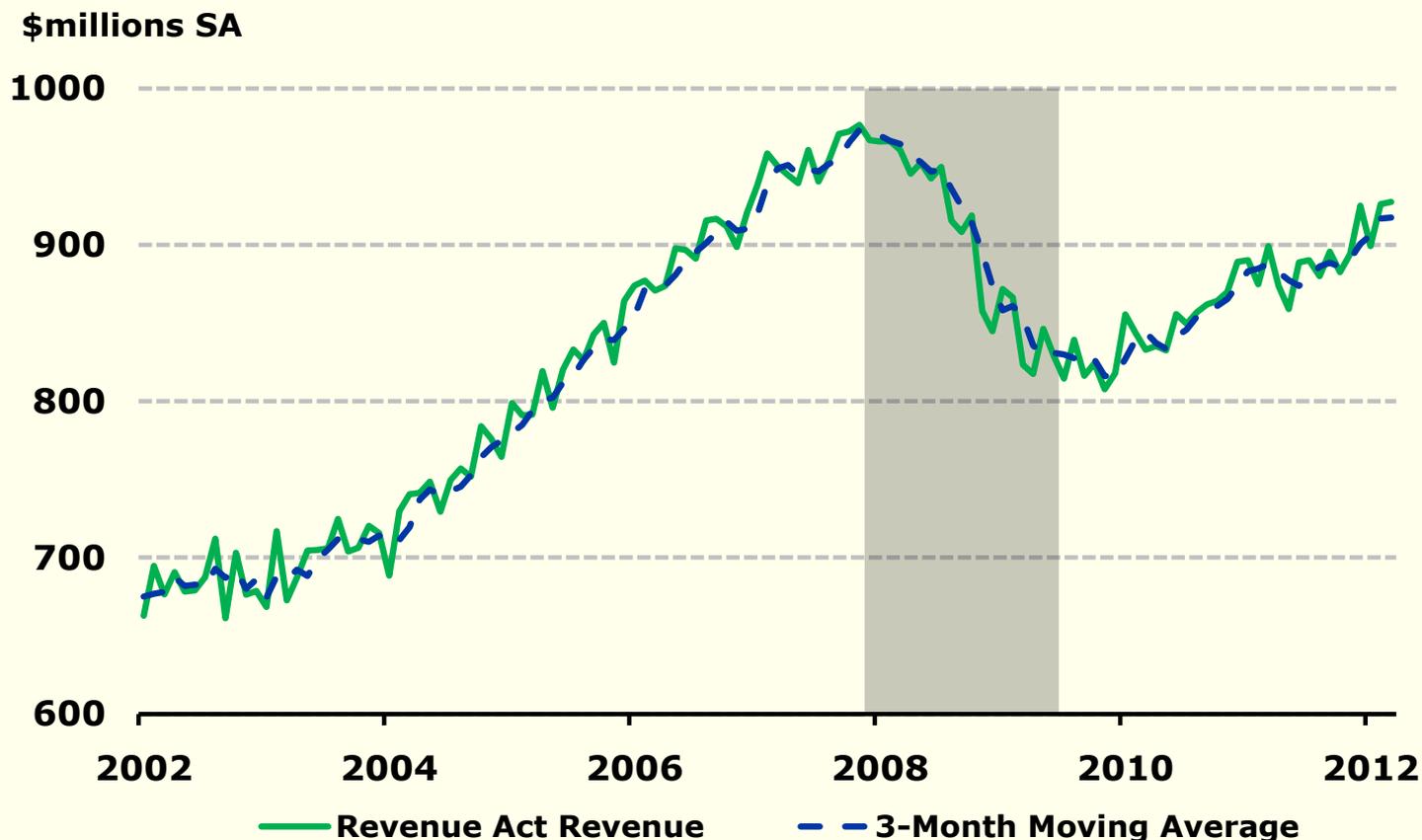
*Net of unexpected large one-time payments and refunds

Source: ERFC; collections through May 10, 2012



Revenue Act collections are still rising

Adjusted collections were up 3.1% year-over-year in the April 11-May 10, 2012 collection period.



* Adjusted for large one-time transactions, amnesty payments and reporting frequency change, current definition of Revenue Act

Source: ERFC; monthly data through preliminary May 10, 2012 collections (March 2012 activity)

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Conclusion

- We continue to expect the U.S. and Washington economies to experience slow growth and muddle through conditions through the biennium
- Washington is still likely to outperform the nation, but by a small margin
- Downside risks remain high due to the European debt crisis and recession, slowing Asian economies and uncertainty around the “fiscal cliff”
- The next revenue collection update will be published on the 11th of June, and our new revenue forecast will be presented on the 20th



Questions



**Economic & Revenue Forecast Council
1025 E. Union Avenue, Suite 544
Olympia WA 98504-0912**

**www.erfc.wa.gov
360-534-1560**

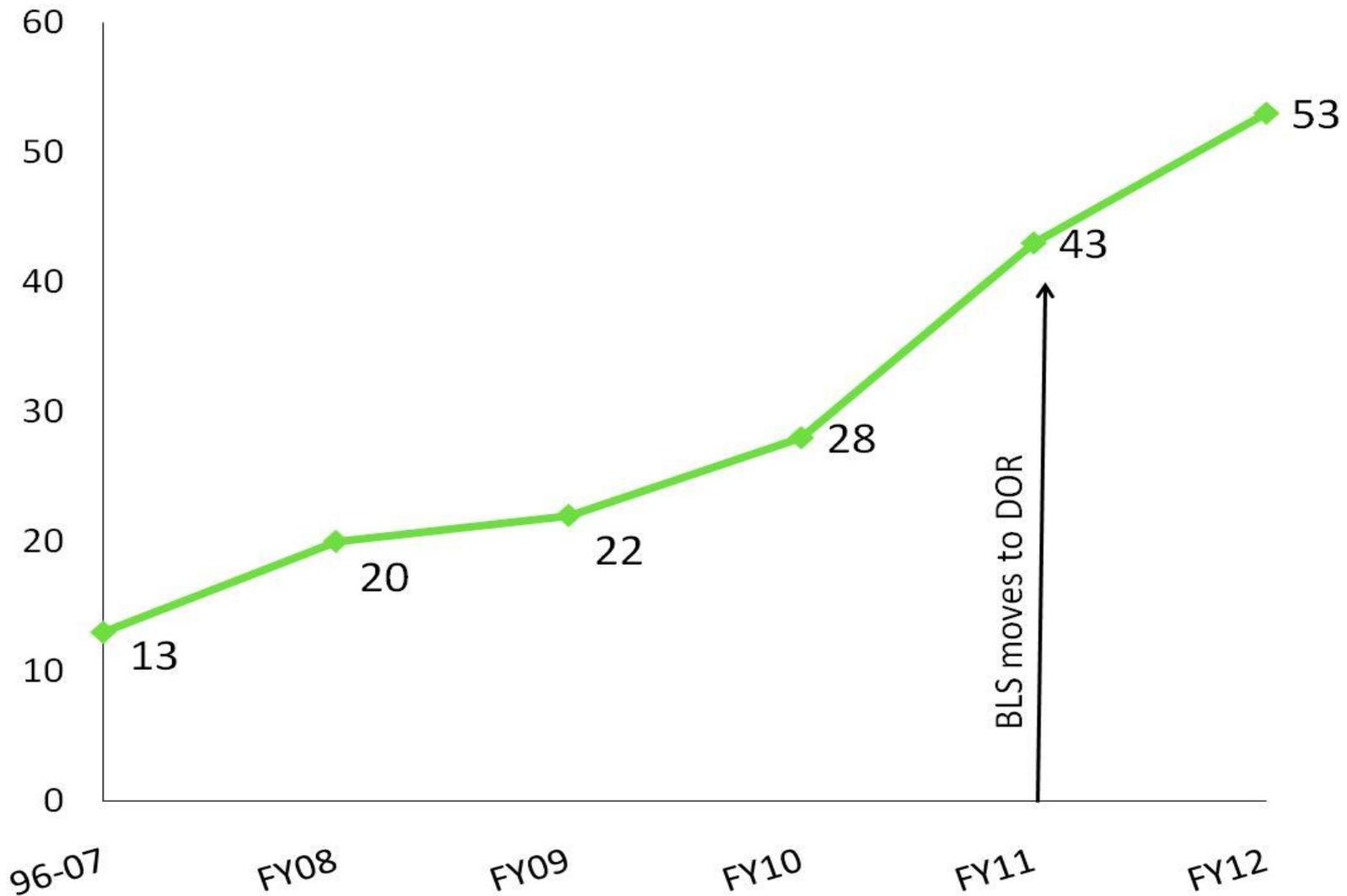
Business Licensing Service



Janet Shimabukuro, Assistant Director



BLS Continues to Grow



Current BLS City Partners



25% of the 212 cities that license businesses are currently part of BLS



Benefits of BLS to City Partners



- BLS handles all registrations and renewals
- Reduced printing/mailing costs
- Increased compliance and tax discovery
- Reduced city staff time spent on license renewals (average .5 FTE savings)



Improvements Underway



- April:**
- Issued RFP for BLS Replacement Study
 - Building new employee-based fee model (Spokane)
- May:**
- Applying Lean to “onboarding” and renewal processes
 - Began using data warehouse
 - Completed transfer of systems from DOL to DOR
 - Added e-check as a payment option
 - Prioritizing improvements for online Business License Application



Improvements Underway



- May:**
- Improvements to data access
 - Developing “Partner Post” website

Washington State Business Licensing Home Contact Us

Search

Blog 4.10.2012

Yittoons the Optional reports in an Excel (.xlsx) format. Currently, partners receive the reports with a .txt extension, save the reports to the SFT file folder path, and use a collection of macros to convert the report into an Excel format.

With the enhancement, the reports will reach you as an Excel report. Macros will no longer be needed.

Partner Post

- > Helpful Hints and Training Tips
- > How to get reports
- > One Number and One Email for Singular Service



Questions?

Local Sales Tax – Rate Changes



Andy Van Gerpen, Tax Administration Manager



Lodging Sales Tax Cap



Importance

- Recent activity
 - ✓ Proposed state sales tax increase
 - ✓ Pierce Transit changes
- Raise awareness of fiscal impact

Topics



- Lodging cap statute
 - ✓ RCW 82.14.410
- Impacts
- Notifying DOR of tax changes

What is the lodging cap?



- Total sales tax charged for providing transient lodging is capped at 12%
 - ✓ RCW 82.14.410
 - ✓ Specific lodging tax components are also capped
- Exception for jurisdictions over cap as of December 1, 2000
 - ✓ Includes parts of Pierce and King counties

Impacts to Jurisdictions



- Loss of revenue if rate increase not applied to lodging sales
- Additional location codes for reporting
- Correct language in resolution or ordinance

Lodging Cap Example - DuPont



Lodging Sales Tax Rate

State Sales Tax	6.5%
Local components as of Dec 1, 2000	<u>7.0%</u>
Total sales tax on lodging (cap)	<u>13.5%</u>

Taxes Not Imposed on Lodging

Transportation (July 1, 2002)	0.3%
RTA (April 1, 2009)	0.5%
Communication (April 1, 2012)	0.1%

DOR Statistics Site



- Displays local component rate history

Local Rates Everett

[Create Excel File](#)

Effective Date	Basic	Optional	Transit	Criminal Justice	Mental Health	Total Local
04/01/2009	0.005	0.005	0.006	0.001	0.001	0.018
01/01/2005	0.005	0.005	0.006	0.001	0.000	0.017
11/01/1990	0.005	0.005	0.003	0.001	0.000	0.014
07/01/1982	0.005	0.005	0.003	0.000	0.000	0.013
01/01/1979	0.005	0.000	0.003	0.000	0.000	0.008
10/01/1970	0.005	0.000	0.000	0.000	0.000	0.005

Lodging Rates Everett

[Create Excel File](#)

Effective Date	State Shared Transient	Hotel Motel	Total Lodging
09/01/1994	0.020	0.020	0.040
07/01/1976	0.020	0.000	0.020

Rate Changes



- Rate changes begin on a calendar quarter
- Send resolution or ordinance 75 days before imposition of tax



Send notification to:

Department of Revenue

Attn: Local Tax Manager

PO Box 47476

Olympia, WA 98504-7476

Or via email:

robertp@dor.wa.gov

Local Tax Questions



- Andy Van Gerpen
 - ✓ andyv@dor.wa.gov
 - ✓ (360) 902-7172

- Bob Petteys
 - ✓ robertp@dor.wa.gov
 - ✓ (360) 902-7065



Questions?

Local Sales Tax – System Project

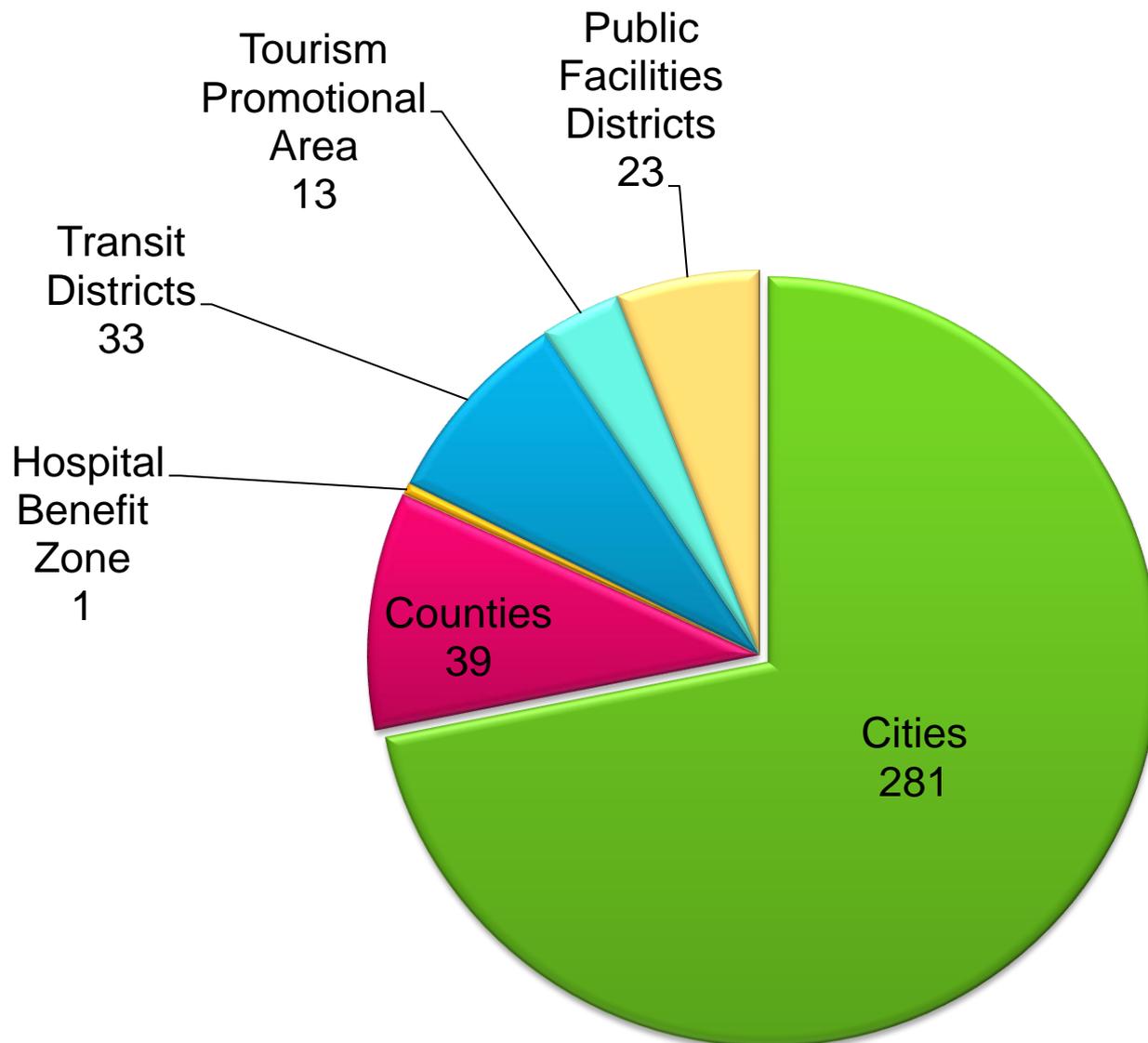


Larry Schmitt, Program Coordinator





390 Tax Jurisdictions



- New taxing jurisdictions continue to be formed that create nontraditional tax boundaries.
- This increases the complexity of administering local taxes.

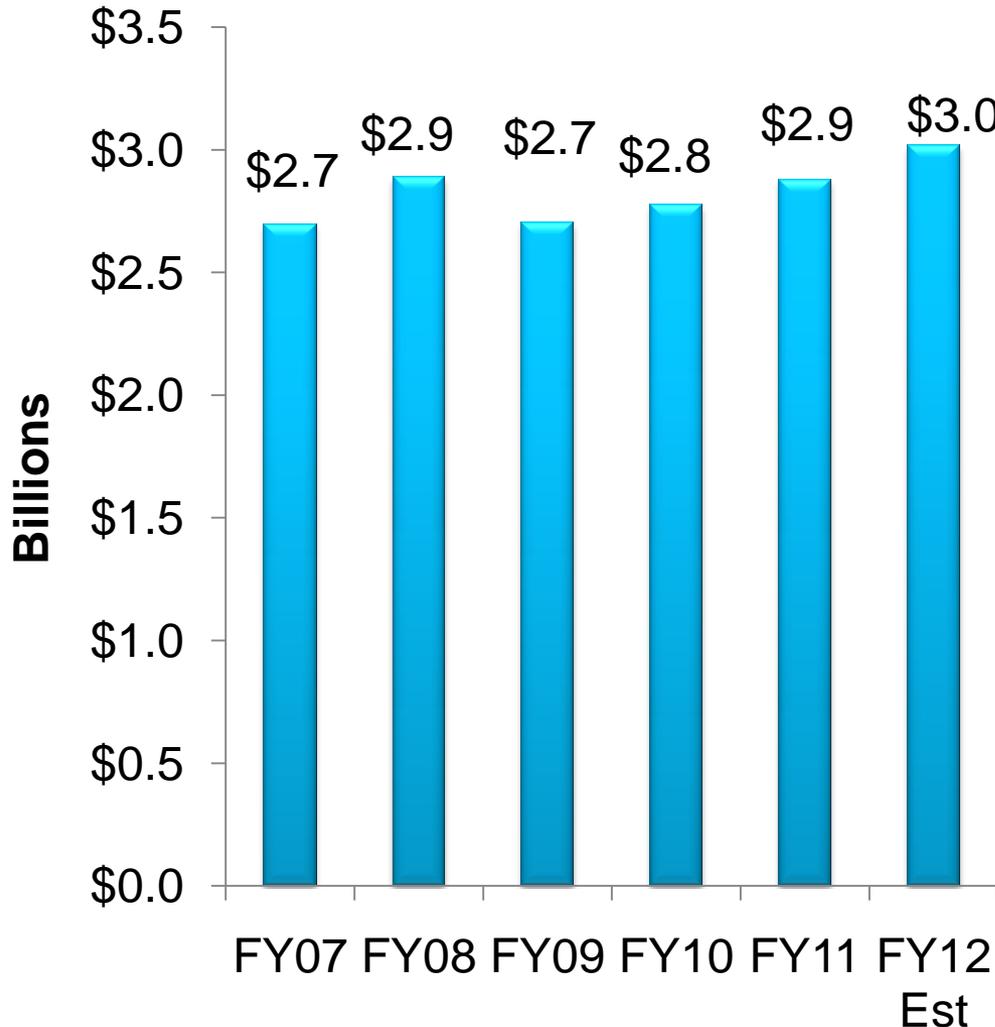
Local Tax Replacement Project



Local Tax system calculates and distributes \$3 billion annually to local governments.

- Age and complexity has created:
 - ✓ A high risk of errors
 - ✓ Cumbersome interfaces and too many manual processes
 - ✓ Difficulty maintaining old technology

Local Tax Distributions - \$3 Billion



- Dollars distributed to local jurisdictions continue to increase
- Errors can have significant impacts on local jurisdictions

April 2012 Distribution - \$220 Million



Tax Type	February Return Distributed in April	Tax Type	February Return Distributed in April
LSU (REG/OPT)	\$ 82,177,301	Zoo Aquarium & Parks	\$ 825,537
Transportation	\$ 56,124,756	Brokered Natural Gas	\$ 751,253
RTA - Sales & Use	\$ 39,277,586	WSCTC Transient Rent Shared	\$ 696,611
Criminal Justice	\$ 8,132,078	Local E911 VOIP	\$ 550,064
Mental Health Tax	\$ 5,925,625	Public Facilities	\$ 525,537
Local E911 Wireless	\$ 3,649,596	King County Football Stadium Shared	\$ 520,758
Washington State Convention Center - PFD	\$ 3,232,135	Tourism Promotion Area	\$ 496,891
Juvenile Detention	\$ 2,801,642	Convention & Trade -- Bellevue	\$ 357,352
Transient Rental Income	\$ 2,729,168	Hospital Benefit Zone (HBZ) State Shared	\$ 239,409
Rural Area Sales Shared	\$ 1,780,477	Local Rental Car	\$ 211,298
Communications	\$ 1,711,747	LRF State Shared	\$ 171,275
Public Safety Tax - Counties	\$ 1,678,069	RTA - Rental Car	\$ 152,671
Hotel/Motel Special	\$ 1,551,246	HSSA State -Shared Tax	\$ 105,964
Local E911 Wireline	\$ 1,446,262	PFD Regional Center Improvement	\$ 61,058
Public Facilities Regional Centers Shared	\$ 1,393,007	Public Safety Tax - Cities	\$ 2,725
Annexation State- Shared	\$ 941,736	LIFT State Shared	\$ -



What are we doing?

Analyze, design, and implement a system that:

- ✓ Improves accuracy
- ✓ Increases financial controls
- ✓ Provides better information to local governments

What do we need from you?



DOR needs partners to help with:

- Analysis
- Design
- Testing

Contact



If you are interested in helping,
contact:



Larry Schmitt

LarryS@dor.wa.gov

(360) 902-7124



Questions?

2012 Legislation



Mark Mullin, Legislative Counsel



2012 Legislation



SHB 2758 – Strengthening the Department of Revenue’s ability to collect spirits taxes

- Authorizes DOR to require the LCB suspend spirits licenses of taxpayers who are more than 30 days delinquent in paying spirits taxes
- Requires partial payments to be applied to spirits taxes last
- Makes clear collected spirits taxes are trust fund taxes for which corporate officers and other responsible individuals can be held personally liable
- Effective March 15, 2012
- Chapter 39, Laws of 2012

2012 Legislation



SHB 2149 – Authorizing counties to adopt a personal property tax amnesty

- Allows counties to adopt an amnesty program for penalties and interest on unreported personal property taxes for the 2011 assessment year and previous assessment years
- Application and listing of personal property required by July 1, 2012, and taxes paid by September 1, 2012
- Expected to generate just over \$6 million in revenue for the state in FY 2013 and \$24 million for local governments in CY 2012
- So far, King, Thurston, and Garfield counties offering amnesty
- Effective March 20, 2012
- Chapter 59, Laws of 2012

2012 Legislation



SSB 5984 – Relating to local government financial soundness

- Allows anchor jurisdiction in public facilities district (PFD) to impose sales and use tax of 0.2% without voter approval
 - ✓ Requirement - default on debt in excess of \$40 million prior to April 1, 2012
- Additional tax used to refinance debt on the Toyota Town Center
- Requires new PFDs conduct financial feasibility reviews before formation or before a project starts
 - ✓ Reviews conducted by Commerce and MSRC
- Effective March 1, 2012
- Chapter 4, Laws of 2012

2012 Legislation



HB 2822 – Local sales and use tax deposits and distributions

- Requires local sales and use taxes be transferred from the general fund to Local Sales and Use Tax Account (LSUTA) monthly rather than daily beginning January 1, 2013
- Reimburses local governments for foregone interest resulting from daily to monthly deposits into LSUTA
- Expected to result in \$238 million adjustment to the general fund balance at the end of the 2011-13 Biennium
- Effective July 10, 2012
- Chapter 9, Laws of 2012

2012 Legislation



SSB 6073 – Relating to the sales and use tax deferral for construction of the second Tacoma Narrows Bridge

- Extends the deferral period another six years
 - ✓ First payment originally due December 2012, now due December 2018
- Purpose: limit toll increases this year
- Effective June 7, 2012
- Chapter 77, Laws of 2012

2012 Legislation



ESB 6635 – Improving revenue and budget sustainability by repealing, modifying, or revising tax preferences and license fees

- Packaged state B&O tax increase (by narrowing a B&O tax deduction for first mortgage interest) with several new or expanded tax preferences
- Impacts on local governments:
 - ✓ A leasehold excise tax exemption is established for agreements providing for the preferential use of publicly-owned cargo cranes, docks, and associated areas used in the movement of cargo at public ports.
 - ✓ Several changes are made to the sales and use tax exemption for computer data centers. The primary changes made to this exemption are:

2012 Legislation



ESB 6635 – Improving revenue and budget sustainability by repealing, modifying, or revising tax preferences and license fees (continued)

- Exemption available to new data centers if construction is initiated after March 31, 2012, and before July 1, 2015; and
- For these newly constructed data centers and for lessees of data centers that currently qualify for the exemption, the exemption for replacement server equipment is allowed for server equipment installed and put into use before April 1, 2020.
- Effective July 1, 2012, except changes to the data center exemption took effect May 2, 2012.
- Chapter 6, Laws of 2012 2nd Special Session

2012 Legislation



HB 2128 – Clarifying the sales tax exemption for local telephone service

- Would have clarified sales tax exemption for local telephone service applies only to local telephone service offered under a tariff required to be filed with the WUTC (i.e., traditional landline local telephone service)
- Did not pass



Questions?



Break

10:35 – 10:50



Local Government Partnership Meeting Department of Revenue

June 1, 2012

Victoria Lincoln
Legislative & Policy Advocate
victorial@awcnet.org

- **Model Ordinance update**
 - ◆ What is changing
 - ◆ Timeline
- **City Portal Project update**
 - ◆ What is it
 - ◆ Who is involved
 - ◆ How can you be involved



Lodging Tax

■ Current Statute

- ◆ In 2007, SB 5647 expanded how local governments may use lodging tax revenues.
- ◆ Used directly by jurisdiction or indirectly through a convention and visitor's bureau or destination marketing organization for the marketing and operations of special events and festivals and to support the operations and capital expenditures of tourism-related facilities owned by nonprofit organizations.
- ◆ Reporting required
- ◆ This expansion of use expires in June 2013



Lodging Tax (cont.)

■ **SB 6446 – did not pass**

- ◆ Extend expiration date for the definitional and reporting changes to 12/31/14.
- ◆ Commerce to collect results of reports to determine the economic impact of lodging revenues used to support festivals, special events, and tourism related facilities owned or sponsored by a nonprofit organization and submits the results to Legislature each December.
- ◆ Each February, Commerce, with help of AWC and WSAC, to notify delinquent jurisdictions that they are delinquent and of their required reporting responsibilities.



■ **Next steps**

- ◆ Potential revisions to reporting forms
- ◆ Legislation next session



Questions

Lobbyists:
Victoria Lincoln
victorial@awcnet.org

Phone: 360-753-4137
www.awcnet.org

Analyst:
Sheri Sawyer
sheris@awcnet.org

Streamlined Sales Tax Mitigation



Valerie Torres, Tax Policy Specialist



Streamlined Sales Tax Mitigation



The June 29, 2012 Streamlined Sales Tax (SST) Mitigation payment will reflect a 3.4 percent reduction for Fiscal Year 2012.

- ✓ Payments in the first three quarters did not reflect the reduction
- ✓ Fourth quarter payment will include the entire year's reduction

Fiscal Year 2013

- ✓ Each quarter's payment will reflect a 3.4 percent reduction

SST Mitigation – Detail



The calculation detail file that you receive every quarter will change to include the reduction calculation as follows:

Net Impacts Due to Destination-based Sourcing

Treasurer's Code	Jurisdiction's Name	Annualized Gain or Loss In Revenues	One Quarter of Annualized Gain or Loss	Voluntary Offset	Net Revenue Impact for the Quarter
####	A City in Washington	\$ (123,456.78)	\$ (30,864.20)	\$ 1,234.56	\$ (29,629.64)

June 2012 - Mitigation Unadjusted	September 2011 Payment	December 2011 Payment	March 2012 Payment	FY 2012 3.4 Percent Reduction	June 2012 - Mitigation Payment
\$ 29,629.64	\$ 30,222.23	\$ 31,111.12	\$ 29,185.19	\$ 4,085.04	\$ 25,544.60

SST Mitigation – Annual Meeting



Date: June 27, 2012

Time: 10 a.m. to 12 p.m.

Location: Department of Revenue
1025 Union Ave
Olympia, WA 98501



Questions?

League Fees



Kristine Rompa, Tax Policy Specialist



League Fee Update



- Staffing changes
- Municipal Q&A
- Targeted educational efforts
- Washington Administrative Code (WAC)183
- Field rentals





Questions?



Protecting Confidential Tax & Licensing Information

Maureen O'Connell, Public Records Designee,
Taxpayer Services



Protecting Confidential Tax Information



Before giving out information ask yourself:

“Is this confidential taxpayer or licensing Information?”



Confidentiality Laws



- Public Records
 - ✓ RCW 42.56.230(4)
- Excise Tax
 - ✓ RCW 82.32.330
- Business Licensing Service
 - ✓ RCW 19.02.115
- Property Tax
 - ✓ RCW 84.08.210
 - ✓ RCW 84.40.020
 - ✓ RCW 84.40.340



CONFIDENTIAL

Data-sharing or Partnership Agreements



- Data-sharing or Partnership agreements provide for authorized purposes
- Each employee with access to tax information must know and understand limitations on use of tax information
- Ask to amend the Data-sharing or Partnership agreement if data use changes or is expanded



Secrecy Clause Affidavits



- Who?
 - ✓ Each employee or agent with access to confidential tax information
- When?
 - ✓ Before access to tax information
 - ✓ Update if any personnel changes
- Where?
 - ✓ Kept on file by local jurisdiction and DOR
- Why?
 - ✓ Assure understanding of laws and penalties for violation
- How?
 - ✓ Signed and notarized



CONFIDENTIAL



Data Security

- Keep all data secure regardless of medium
- Best practices:
 - ✓ Print only information you need
 - Don't leave documents on printers
 - ✓ Copy or download electronic data as needed
 - ✓ Communication of confidential information via e-mail is restricted including attachments
 - ✓ Secure all electronic data



Data Security



- Paper copies must be
 - ✓ secure at all times,
 - ✓ shredded once no longer needed,
 - ✓ not seen by others without authorized access, and
 - ✓ secured during transportation and destruction if destroyed off-site



Penalties for Breach of Confidentiality



✓ Per RCW 82.32.330 & RCW 19.02.115

- Misdemeanor sanctions include:
 - Up to \$1000 fine
 - Up to 90 days in jail
 - Loss of job
 - Barred from employment by state or local government for two years



Contact



Maureen O'Connell,
Public Records Officer's Designee

MaureenO@dor.wa.gov

or (360) 705-6647



Questions?

Federal Update



Tim Jennrich, Tax Policy Specialist



Federal Remote Seller Legislation



- Introduced bills:
 - ✓ Main Street Fairness Act of 2011 (S.1452)
 - ✓ Marketplace Fairness Act of 2011 (S.1832)
 - ✓ Marketplace Equity Act of 2011 (H.R. 3179)
- Progress being made at the federal level

Federal Legislation - On Watch



- The Wireless Tax Fairness Act (H.R. 1002/S. 543)
- The Business Activity Tax Simplification Act (H.R. 1439)
- The Digital Goods and Services Tax Fairness Act (H.R. 1860/S. 971)

Other Federal Legislation – And The Rest



- The State Video Tax Fairness Act (H.R. 1804)
- The Telecommuter Tax Fairness Act (S. 1811)
- A bill to amend the Internal Revenue Code of 1986 to repeal certain communications taxes, and for other purposes (S. 1934)
- Supporting the preservation of Internet entrepreneurs and small businesses (H.RES. 95/S.RES. 309)

Streamlined Sales and Use Tax Update



What is Streamlined focused on currently?

- ✓ Federal remote seller legislation
- ✓ Developing guidance on how and when states will grant credit for sales and use taxes paid in other jurisdictions
- ✓ Developing guidance on how vouchers are treated
- ✓ Developing guidance for the sourcing of specified digital products, e.g., digital music, movies, and books

Uniformity Proposals - Communications Taxes



- Multistate Tax Commission (MTC) created three uniformity proposals regarding communications taxes
- Proposals apply to “local transaction taxes on communications services”
- Scope is “centralized administration”
- Proposals are voluntary for the states, but may provide a framework for future federal legislative efforts

Uniformity Proposals – Cont.



- Three uniformity proposals:
 - ✓ The State Administration and State Imposition of Tax Model (Virginia)
 - ✓ The State Administration and Local Imposition of Tax Model (Florida)
 - ✓ The Local (centralized) Administration and Local Imposition of Tax
- MTC worked with compacting states, industry, and local government groups
- Proposals similar to ideas discussed with Washington's local jurisdictions under earlier Streamlined efforts

Uniformity Proposals – Cont.



- Proposals heading for a survey among MTC compacting states
- Department did not identify any significant conceptual issues
- We encourage you to read the proposals and provide any feedback to the Department via Patti Wilson
- Proposals:
[http://www.mtc.gov/uploadedFiles/Multistate_Tax
Commission/Events/2011-
12_Committee_Meetings/HO%20Rpt3.pdf](http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/Events/2011-12_Committee_Meetings/HO%20Rpt3.pdf)



Questions?

Parking Fees



John Wack, Tax Information Specialist



Parking fees



Type of Parking	Sales Tax Due?	
	Yes	No
Hourly/off-street	X	
Hourly/city-county on-street metered or permit		X
Monthly designated space		X
Monthly/no designated space	X	

See [WAC 458-20-118](#) and [ETA 3030.2009](#)



Questions?

Property Tax



Kathy Beith, Assistant Director



Banked Levy Capacity



What is “banked levy capacity”?

Simply put, it is the difference between the maximum levy allowed by law and the actual amount the taxing district levies.

Example:

City’s 2010 maximum levy = \$3,296,235

City’s 2010 actual levy = \$3,000,000

Banked levy capacity = \$296,235

Banked Levy Capacity



What happens to banked levy capacity when assessed values decline?

Example:

2011 – assessed values decline by 10%

2010 – maximum levy amount = \$3,296,235

2011 – levy limit = \$3,359,197 (1% increase plus new construction)

2011 – maximum levy based on rate = \$3,252,149

Note: the city's levy is limited by the maximum statutory rate, which is lower than the maximum 2010 levy.

Banked Levy Capacity



What happens to banked levy capacity when assessed values increase?

Example:

2012 – assessed values increase by 5%

2010 – maximum levy amount = \$3,296,235

2012 – levy limit = \$3,359,197 (1% increase over the 2010 levy plus new construction)

2012 – maximum levy based on rate = \$3,414,757

Note: the city's levy is limited by the 2012 levy limit.



Questions?

Miscellaneous Updates



Patti Wilson, Local Government Liaison



Local Government Webpage



<http://Localgovernment.dor.wa.gov>

- Sign-up for Listserv
 - ✓ Meeting notices
 - ✓ Notices impacting local governments
- RSS feed
 - ✓ Alerts when changes made to web site

Patti Wilson, Local Government Liaison

pattiw@dor.wa.gov

(360) 534-1543

- Home
- > File & pay taxes
- ▼ Doing business**
- Business types
- Register my business
- My account
- Audits
- > Find taxes & rates
- > Workshops & education
- > Get a form or publication
- Find a law or rule

Information for local governments

- Local Sales and Use Tax
- Tax Simplification Project
- Streamlined Sales Tax (Destination-based Sales Tax)
- Funding Programs for Local Governments
- Property Tax
- Other Taxes
- Tools
- DOR Facilitated Studies of Local Interest
- Tax Legislation
- Laws & Agency Rules
- Protecting Confidential Tax Information
- Other DOR Resources
- Contact DOR
- External Links

Local Sales and Use Tax

- Local sales and use tax rates
- [Lodging tax rates](#)
- Local tax rate change notices

Tax Simplification Project

- Report to the Governor

Streamlined Sales Tax (Destination-based Sales Tax)

- General information
- [History of mitigation payments](#)

Meetings

[Local Government Partnership Spring meeting](#) *New!*

Oct 03, 2011 partnership meeting powerpoint presentation

Local government partnership Past meeting information

[Send suggestions for future meetings](#)

[Send suggestions for local government web page](#)

Stay informed

 [Subscribe to our Local Government RSS Feed](#) *New!*

[ListServ](#)

Tax Legislation

- [Summary of Tax Legislation](#)
 - [2011](#)
 - [2010](#)
 - [2009](#)
- [New Legislation](#)

Laws & Agency Rules

- [RCWs](#)
- [WACs](#)
- [ETAs](#)
- [WTDs](#)

Protecting Confidential Tax Information

- [Notice Regarding Confidential Local Sales Tax Information \(pdf\)](#)
- [Training Presentation \(pdf\)](#)

Other DOR Resources

- [Instructions for Accessing Local Reports via SFT \(pdf\)](#)
- [Rule Making Activities](#)
- [Statistics & Reports](#)
- [Publications](#)
- [Interest rates \(pdf\)](#)
- [ListServ](#)
- [Forms](#)
- [Strategic Business Plan](#)
- [Special Notices](#)
 - [City-imposed Municipal Utility Taxes are Part of Gross Income](#)

Contact DOR

- [Secure Messaging](#)
- [E-mail](#)
- [Phone](#)
- [Mailing Addresses](#)
- [DOR Locations](#)
- [DOR Organizational Chart](#)

Tax Rate Lookup App



Look up sales and use tax rates and codes by:

- Current location (GPS)
- Address
- Zip code

*Available for iPhone this July
Android coming soon*

Tax Rate Lookup App



- Enter sale price and automatically get the total amount due (sale price + tax)
- Save all looked-up location codes, rates, and amounts to one list
- View your location on a map

*Available for iPhone this July
Android coming soon*



Please complete an evaluation and remember to pick-up your CPE certificate.