Seattle City Councilmembers Nick Licata and Kshama Sawant propose to reestablish the Seattle employee hours tax and increasing the commercial parking tax as a substitute for the Mayor’s proposal, which would increase the sales tax to provide funding for Metro bus service in order to avoid dramatic service cuts to Seattle residents in 2015. This approach improves the Mayor’s proposal by not only saving our bus service and reducing harm to our urban environment, but by doing so without burdening those struggling to find Seattle an affordable city in which to live.

**Whereas** bus riders in the City of Seattle face drastic cuts to Metro service due to recession-driven lack of revenue and the failure of King County Proposition 1 in April.

**Whereas** the 36th District Democrats support reducing the number of single occupant vehicle commuters in our city and funding Metro Transit to meet ridership demand and significantly reduce vehicle pollution and its related carbon footprint.

**Whereas** the Mayor of Seattle has proposed a transit funding plan with two revenue sources including a $60 vehicle fee and a 0.1% sales tax increase that is expected to be on the November 2014 ballot.

**Whereas** the 36th District Democrats supported new sources of funding of public transit via their endorsement of King County Proposition 1 but also support fair and equitable taxation.

**Whereas** Councilmembers Licata and Sawant propose to swap out the proposed regressive sales tax increase for the return of the employee hours tax (paid by employers), commonly referred to as the “head tax”, and increasing the commercial parking tax. The revenue generated by these two would be comparable to the sales tax increase.

**Whereas** Councilmembers Licata and Sawant have publically stated that their intent is not to replace the Mayor’s proposed plan.

**Whereas** their proposal can afford the opportunity to streamline the head tax, which many found confusing and time consuming to apply. It would not include the prior exemptions and in turn the rate would be reduced by up to a third for most businesses. The commercial parking tax would increase from 12.5% to 17.5%.

**Whereas** despite past concerns that the employee hours tax and commercial parking tax would have a negative impact on Seattle businesses, Seattle has continued to be one of the most prosperous and fastest growing cities in America.[[1]](#endnote-1)

**Whereas** the City Council has the authority to implement both proposals without going through the Metropolitan Transit District.

**Whereas** the Councilmembers’ approach results in a more progressive tax by not increasing the regressive sales tax.[[2]](#endnote-2) In addition, sales tax has previously proven to be an unstable revenue source; in 2001, the dot-com crash reduced sales tax revenue and forced Metro to scale back plans to increase service. In 2009, Metro lost more than 15% of its sales tax base due to the recession.

**THEREFORE BE IT RESOLVED** that the 36th Democratic Legislative District urge the Seattle City Council and Mayor Ed Murray to accept City Councilmembers Nick Licata and Kshama Sawant’s proposed changes to the funding sources of the current Metro bus service plan.

**AND THEREFORE BE IT FURTHER RESOLVED** that this resolution be forwarded to the Seattle City Council and Mayor Ed Murray.

Signed by 36th District Chair:

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1. http://www.kiplinger.com/article/business/T006-C000-S002-10-best-cities-for-the-next-decade.html [↑](#endnote-ref-1)
2. According to the Institute on Taxation and Economic Policy’s (a progressive DC-based think tank) latest edition of “Who Pays? A Distributional Analysis of the Tax Systems in All 50 States” Washington State has the nation’s most regressive tax structure. Our sales and excises taxes generate over 61 percent of state and local tax revenue, compared to a national average of only 34 percent. [↑](#endnote-ref-2)