Ordinance No. 2758

(Amending or Repealing Ordinances)

CFN=110 – Water/Sewer/Garbage Rates & Policies
CFN=186 - Budget
Passed 12/1/1987
Utility Fees & Rates

Amended by Ords. 2514; 3456; 3489; 3594; 3645 (Sec. 3.18.020
{formerly Sec. 3.04.040})

Amended by Ord. 4061 (Sec. 3.18.010; 3.18.030)

The date ["Beginning July 1, 1998"] has led to confusion. This date will be deleted from cover sheets of ordinance/resolution revision pages. This cover sheet will be deleted on electronic pages only, no other deletions or changes have been made to the document – 6/21/2012
AN ORDINANCE relating to utility fees or taxes; amending Chapter 3.04 of the Kent City Code to add Section 3.04.040(1)(d) garbage utility tax as set by Ordinance 2690; to add drainage utility as a utility as approved in Ordinance 2553; to clarify calculation of gross income for utility tax calculation; to increase utility tax on non-City owned utilities of electricity, telephone, and gaseous gas from 2-1/2% to 3.5%; to increase utility tax on City owned utilities water, sewer and drainage from 2.0% to 3.5%.

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 3.04 of the Kent City Code is amended as follows:

"3.04.040. CERTAIN UTILITIES SUBJECT TO TAX.
(1) In addition to the other business and license fees required by the ordinances of the City of Kent, there is hereby levied upon all persons (including the City of Kent) engaged in certain business activities (an occupation) a utilities tax to be collected as follows:

(a) Upon every person engaging in or carrying on any telephone business within the City, an annual (fee or) tax equal to (two and one-half) three and one-half percent of the total gross operating revenues, including revenues from intra-state toll, derived from the operation of such business within the City of Kent. Gross operating revenues for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this Chapter."
(i) "Telephone business" means the business of providing access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, or providing telephonic, video, data or similar communication or transmission for hire, via local telephone network, toll time or channel or similar communication or transmission system. It includes cooperative or farmer-line telephone companies or associations operating an exchange. "Telephone business" does not include the providing of competitive telephone service, nor the providing of cable telephone service.

(ii) "Competitive Telephone Service" means the providing by any person of telephone equipment, apparatus, or service other than toll service, which is of a type which can be provided by persons who are not subject to regulation as telephone companies under Title 80 RCW and for which a separate charge is made.

(b) Upon every person engaging in or carrying on a business of selling, furnishing, distributing, or producing gaseous gas for commercial or domestic use or purposes, a tax equal to three and one-half percent of the total gross income from such business in the City during the tax year for which the license is required.

(c) Upon every person engaged in or carrying on the business of selling, furnishing, or distributing electricity for light and power, a tax equal to three and one-half percent of the total gross income from such business in the City during the tax year for which a license is required.
(d) Upon every person engaging in or carrying on a business providing garbage service, a tax equal to 6-1/2 percent of the total gross income from such business in the City during the tax year for which the license is required.

(e) Upon every person (including the City of Kent) engaging in or carrying on the business of selling, furnishing or distributing water, sewer or drainage services, a tax equal to three and one-half percent of the total gross income from such business in the City during the tax year.

(2) In computing said tax as hereinbefore provided, the taxpayer may deduct from gross income, the following items:

   (a) The actual amount of credit losses and uncollectables sustained by the taxpayer;

   (b) Amounts derived from the transactions in interstate and foreign commerce which the City is prohibited from taxing under the Laws and Constitution of the United States; and

   (c) The amount of the utility tax collected from the utility customer. For illustrative purposes this would be calculated as follows for a service of $1,500 to collect 2.5 percent utility tax of $37.50: $1,537.50 less utility tax collected of $37.50 equals $1,500 utility taxable income. $1,500 x .025 = $37.50 utility tax to be paid to City.

3.04.080. UTILITY TAX WHEN DUE. The utility tax imposed by this Chapter shall be due and payable to the Finance Department in quarterly installments and remittance thereof shall be made on or before the last day of the month next succeeding the end of the quarterly period in which the tax accrued. Quarterly period for the purpose of this Chapter shall mean each three (3) month period of the calendar year. The taxpayer on or before said last day of
said month shall also transmit to the Finance Department a return upon a form to be prescribed and provided by the Finance Department, which return shall contain a statement by the taxpayer, stating the amount of tax for which he is liable for the preceding quarterly period under and computed according to the provisions of this Chapter, that the information therein given and the amount of tax liability therein reported are full and true and that he knows the same to be so; which statement shall be signed by the taxpayer or authorized agent.

Section 2. This ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

DAN KELLEHER, MAYOR

ATTEST:

MARIE JENSEN, CITY CLERK

APPROVED AS TO FORM:

SANDRA DRISCOLL, CITY ATTORNEY

PASSED the ___ day of ____, 1987.
APPROVED the ___ day of ____, 1987.
PUBLISHED the ___ day of ____, 1987.
I hereby certify that this is a true copy of Ordinance No. 2758, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

[Signature]
MARIE JENSEN, CITY CLERK