

ORDINANCE NO. 168

AN ORDINANCE, Amending Ordinance  
No. 24, adding definitions and exemptions  
and changing procedure.

THE CITY COUNCIL OF THE CITY OF BELLEVUE DO ORDAIN  
AS FOLLOWS:

Section 1. Ordinance No. 24, passed the 23rd day of June, 1953,  
is amended by amending subsections (e) and (l) of Section 2 and adding thereto  
a new subsection (v) as follows:

"(e) The term 'gross income of the business' means the value proceeding or accruing by reason of the transaction of the business engaged in and includes gross proceeds of sales, compensation for the rendition of services and use of goods, gains realized from trading in stocks, bonds or other evidences of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends and other emoluments however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes or any other expense whatsoever paid or accrued and without any deduction on account of losses.

"(l) The term 'engaging in business' means commencing, conducting or continuing in business and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business, or continue to carry on the activities or to perform the contracts of the business of the person, firm or association being dissolved or under liquidation. The term shall also include every repeated act within the City of Bellevue engaged in or participated in with the desire or intention of resulting in gain, benefit or advantage, directly or indirectly, to the participant or others, unless expressly exempted by this or other ordinances of the City of Bellevue or the State of Washington. Engaging in business shall include, but not be limited to, the production, manufacture, sale at wholesale or retail, lease, exchange, solicitation of business, or delivery of any substance or tangible property, good will or advertising, the rendition of or providing for amusement, services, advice or information, and the dealing in securities, contracts, investments, evidences of indebtedness, rents and royalties. This definition does not contemplate the activities of any person engaged or performed in respect to his employment in the capacity of an employee or servant of another, as distinguished from that of an independent contractor."

"(v) The words 'casual or isolated sale' shall be deemed to mean a sale made by a person who is not engaged in the business of selling the type of property involved."

Section 2. Section 3 of said Ordinance No. 24 is amended by amending subsection (e) thereof to provide as follows:

"(e) Upon every person engaging within this City in the business of (1) printing and of publication of newspapers, periodicals or magazines; (2) building, repairing or improving any publicly owned street, place, road, highway, bridge or trestle which is used, or to be used, primarily for foot or vehicular traffic; (3) building, repairing or improving a commercial or residential structure or other building accessory thereto on the land of another, except upon land where the builder is lessee for a term equal to or in excess of the expected life of the structure; as to such persons the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of one-twentieth of one per cent."

Section 3. Section 6 of said Ordinance No. 24 shall be amended to provide as follows:

"Section 6. Apportioning business within and without City. Persons engaged in the business of making sales or rendering services both within and without the city, or partially within and partially without the city, and

(a) Maintaining an office or place of business within the city and not elsewhere, shall be taxed on the gross income from the business without regard to the place where the services are rendered unless all steps or acts in rendering such service or making such sales was accomplished outside of the city and is subject to a tax at the place where such sales were made or services rendered.

(b) Such persons having an office or a place of business inside the city and also elsewhere, or

(c) Having an office elsewhere but not within the City of Bellevue, shall, for the purpose of computing tax liability under this ordinance, apportion to the city that portion of his gross income which is derived from sales made or services rendered within the city. Where such apportionment cannot be made by separate accounting methods, the taxpayer shall apportion to the city that portion of his total income which the costs of doing business within the city bears to the total cost of doing business within and without the city.

Persons maintaining an office, plant, warehouse or other business establishment which is partly within and partly outside of the city, shall be taxable on the value of products, gross proceeds of sales, or gross income of the business attributable to business within the city, ascertained either (1) by a segregation of business within and business outside the city, shown and supported by separate accounting records, or (2) if such segregation cannot be practicably made, by an apportionment to the city of that part of the total value of products, gross proceeds of sales, or gross income of the business derived from business both within and outside the city (aa) in the proportion that the cost of doing business within the city bears to the cost of doing business both within and outside of the city, or (bb) when the use of such apportionment factor is impractical or inequitable, by a fair and equitable apportionment of such values, proceeds, or income between business within the city and business outside of the city upon such basis, comparable in

character to that prescribed in (aa) above, as shall be agreed upon by the Clerk and the taxpayer after consideration of the facts."

Section 4. Section 8 of said Ordinance No. 24 shall be amended to provide additional subsections as follows:

"(m) Casual and isolated sales, as defined in Section 2 above,

(n) Associations and any community chest, fund or foundation, organized and operated exclusively for religious, charitable, scientific, public safety or charitable purposes or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder, member or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislations, and which does not participate in, or intervene in any political campaign on behalf of any candidate for public office.

(o) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to employees of a designated person or persons in a particular municipality and the net earnings of which are devoted exclusively to charitable, educational or recreational purposes.

(p) Clubs organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes, no part of the earnings of which inures to the benefit of any private member or shareholder.

(q) Any person engaging in any business activity whose value of products, gross proceeds of sales, or gross income of the business is less than ~~Two~~ hundred dollars for a bi-monthly period; provided, that where one person engages in more than one business activity and the combined measures of tax applicable to such business equal or exceed ~~Two~~ hundred dollars, no exemption or deduction from the amount of tax is allowed by this section. Any person claiming exemption under the provisions of this subsection may be required to file returns even though no tax may be due."

Section 5. Section 10 of Ordinance No. 24, above mentioned, is repealed.

Section 6. Section 12 of said Ordinance No. 24 shall be amended to provide as follows:

"Section 12. Bi-Monthly payments of business license fee.

The license fee or tax imposed by this ordinance, except the One Dollar (\$1.00) required to accompany the application for the license, shall be due and payable in bi-monthly installments, and remittance therefor shall be made on or before the fifteenth day of the month next succeeding the end of the bi-monthly period in which tax is accrued. The remittance shall be made as hereinafter

provided and shall be accompanied by a return on a form to be provided and prescribed by the Clerk. To the return the taxpayer shall be required to swear or affirm that the information therein given is full and true and that the taxpayer knows the same to be so, except that the taxpayer may omit details as to amounts of business in those cases where the minimum tax only is due or where no tax accrues by virtue of the exemptions contained in (q) Section 8, supra.

Whenever a taxpayer commences to engage in business during any bi-monthly period, his first return and the license fee or tax shall be based upon and cover the portion of the bi-monthly period during which he is engaged in business."

Section 7. Section 16 of Ordinance No. 24 is amended to provide as follows:

"Section 16. Extension of time for filing returns--penalties.

The Clerk, for good cause shown, may extend the time for making and filing any returns as required under this ordinance and may grant such reasonable additional time within which to file such returns as he may deem proper; provided, that any extensions in excess of thirty (30) days shall be conditioned upon the payment of interest of one-half (1/2) of one per cent (1%) for each thirty (30) days or portion thereof on the amount of the tax from the date upon which said tax became due.

If payment of any tax is not received within fifteen (15) days from the due date of such tax, there shall be added a penalty as follows:

If received on or before the last day of the month in which the tax is due, no penalty;

Not more than 30 days delinquency, 10% with a minimum penalty of \$1.00;

31 to 60 days delinquency, 15% with a minimum penalty of \$2.00; and  
61 or more days delinquency, 20% with a minimum penalty of \$3.00."

Section 8. Ordinance No. 24, above mentioned, is amended by adding thereto a new Section No. 32 which shall provide as follows:

"Section 32. Protest. No appeal to the City Council shall be heard and no action to recover any taxes paid shall be allowed unless the taxpayer, at the time of payment of the tax concerning which he appeals or seeks to recover, makes written notice of his payment thereof under protest. Any legal grounds of protest not so noted on each bi-monthly return accompanying such payments shall be deemed to be waived."

Section 9. Section 11 of said Ordinance No. 24 is amended to provide as follows:

"Section 11. Certificate of Registration Required. On and after the effective date of this ordinance, no person, whether subject to the payment of a tax or not, shall engage in any business or activity in the City of Bellevue for which a license fee or tax is imposed by this ordinance without first having obtained and being the holder of a valid

and subsisting certificate of registration to be known as a "Registration Certificate", issued under the provisions of this ordinance, as hereinafter provided, and without paying the business tax imposed by this ordinance. The fee or tax imposed for the privilege of engaging in business within the City of Bellevue shall be the fee or tax imposed by this ordinance and in addition the sum of \$1.00 as a registration fee which shall accompany the application for the Certificate of Registration. Such certificate shall expire at the end of the calendar year in which it is issued, and a new certificate shall be required for each calendar year thereafter during the continued business of the applicants; provided, that any such certificate may be renewed from year to year upon application without payment of such \$1.00 registration fee. Applications for the certificate shall be made to and be issued by the clerk on forms provided by the clerk.

"Said certificate shall be personal and nontransferable. In case business is transacted at two or more separate places by one taxpayer, a separate certificate for each place at which business is transacted shall be required, but for such additional certificates no additional \$1.00 registration fee shall be required. Each certificate shall be numbered, shall show the name, place and character of business of the taxpayer within the City of Bellevue, such other information as the clerk shall deem necessary, and shall at all times be conspicuously posted in the place of business for which it is issued. Where place of business of the taxpayer is changed, within the City of Bellevue, the taxpayer shall return to the clerk the certificate and a new certificate shall be issued for the new place of business free of charge.

"No person to whom a Certificate of Registration has been issued pursuant to this ordinance shall suffer or allow any other person for whom a separate certificate is required to operate under or display his certificate, nor shall such other person operate under or display such certificate."

Section 10. This ordinance shall take effect and be in force five (5) days after its passage, approval and legal publication.

PASSED by the City Council this 28<sup>th</sup> day of August, 1956,  
and signed in authentication thereof this 28<sup>th</sup> day of August, 1956.

C. J. Roman  
Mayor

F. B. Armstrong  
Councilman

W. H. Thomas  
Councilman

Approved as to form:

Thomas A. Cole  
City Attorney

(SEAL)

Attest:

Jan. J. Schuler  
City Clerk

Date of Publication:

September 5, 1956.

FILED  
CITY OF BELLEVUE  
DATE August 29 1956  
CITY CLERK Jan. J. Schuler