

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4839

AN ORDINANCE relating to the admission tax of the City of Bellevue; repealing Chapter 4.04 of the Bellevue City Code; adding a new Chapter 4.04 to the Bellevue City Code; and establishing an effective date.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 4.04 of the Bellevue City Code, the Admission Tax Code, and Sections 4.04.010 through .160 inclusive, thereof, are hereby repealed.

Section 2. A new Chapter 4.04 is hereby added to the Bellevue City Code, to be designated the Admission Tax Code, to read as follows:

Sections:

- 4.04.010 Exercise of revenue license power.
- 4.04.015 General administrative provisions apply.
- 4.04.020 Definitions.
- 4.04.025 Tax imposed.
- 4.04.030 Tax on admission.
- 4.04.035 Exemptions.
- 4.04.040 Deductions.

4.04.010 Exercise of Revenue License Power.

The provisions of this Chapter 4.04 constitute an exercise of the power of the City to license for revenue.

4.04.015 General Administrative Provisions Apply.

The provisions of Chapter 4.02 of the Bellevue City Code, the Tax Administration Code, shall be fully applicable to the provisions of this Chapter 4.04 except as may be expressly stated to the contrary herein.

4.04.020 Definitions.

The definitions set forth in Chapter 4.02 of the Bellevue City Code shall apply throughout this Chapter 4.04, unless expressly provided otherwise herein. The following additional definitions shall apply throughout this Chapter:

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- A. "Admission charge," in addition to its usual and ordinary meaning is a monetary charge for an event open to the public, including, but not limited in meaning to:
1. Charges for entrance and observation, including, but not limited to:
 - a. A charge made for season tickets or subscriptions;
 - b. A cover charge or a charge made for use of seats or tables, reserved or otherwise, and similar accommodations;
 - c. A charge made for food and refreshments in any place where any free entertainment, recreation or amusement is provided;
 - d. A charge made for admission to any theater, dance hall, cabaret, adult cabaret, amphitheater, club, haunted house, auditorium, stadium, athletic pavilion, park or field, baseball or athletic park, circus, amusement ride, or similar place;
 - e. A charge made for admission to or rental or use of equipment or facilities to any public golf course, facility, or driving range; if the rental of the equipment or facilities is necessary to the enjoyment of the golf course, facility, or driving range, at which a general admission is charged, the combined charges shall be considered as the admission charge.
 2. Other activities, including the following:
 - a. A charge made for automobile parking where the amount of the charge is determined according to the number of passengers in an automobile;
 - b. A sum of money referred to as "a donation" or similar payment which must be paid before entrance is allowed.
 3. For purposes of illustration only, the following table provides examples of activities subject to the admission tax (this list is not all inclusive):

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Taxable

1. for-profit theater
2. movie theater
3. cover charge in restaurant lounge
4. charge for admittance to adult entertainment employees cabaret
5. charge for entrance to a nonprofit organization's trade show which is open to the public
6. charge for a golf course which is open to the public.

Not Taxable

1. annual dinner of a non profit organization which is open to members only
2. tickets to a show performed for employees only of a for-profit company
3. Chamber of Commerce business fair which is open to members only

- B. "Chapter" shall mean Chapter 4.04 of the Bellevue City Code, as it may be amended or replaced from time to time.
- C. "Non-profit tax-exempt organization" means an organization, corporation, or association organized and operated for the advancement, appreciation, public exhibition or performance, preservation, study and/or teaching of the performing arts, visual arts, history, science, or public charity providing human services, or public education which is currently recognized by the United States of America as exempt from federal income taxation pursuant to Section 501 (c)(1) or (3) of the Internal Revenue Code of 1954, as it may be amended or replaced from time to time.
- D. "Secondary or elementary school" means any public or private primary, middle school, junior high school, high school, or any accredited college, junior college, university, or the recognized student body association thereof.

4.04.025 Tax Imposed.

There is levied and shall be collected a tax from every person, without regard to age, who pays an admission charge. Such tax shall be measured by

applying the rates set forth in this Chapter to the admission charge. The tax herein levied shall be paid by the person paying the admission charge and shall be collected and remitted by the person to whom the admission charge is paid. The tax required to be collected under this Chapter shall be deemed held in trust by the person required to collect the same until remitted to the clerk as provided in Chapter 4.02.

No tax shall be levied on any person who is admitted free and from whom no compensating payment is obtained. The tax on reduced admission charges shall be charged on such reduced charge and not on the regular admission charge.

4.04.030 Tax on Admission.

Upon every person who pays an admission charge within the City; as to such persons, the amount of tax with respect to such activity shall be equal to the admission charge multiplied by the rate of three percent (3%).

4.04.035 Exemptions.

The following shall be exempt from any tax imposed under this Chapter:

- A. Admission charges for any activity of any elementary or secondary school.
- B. Admission charges which are three dollars (\$3) or less. The three dollar exemption level set forth in this subsection shall be administratively adjusted by the Director on January 1st of each year, beginning on January 1, 1997, to reflect any change in the cost of living, as defined and calculated pursuant to Section 4.02.020(B). The amount of the exemption level so calculated shall be rounded to the nearest one dollar (\$1.00).
- C. Events sponsored by non-profit tax-exempt organizations as defined in Section 4.04.020(C).
 1. The admission tax levied and imposed pursuant to Section 4.04.025 shall not apply to any person paying an admission charge to an event that is sponsored by a non-profit tax-exempt organization, as defined in Section 4.04.020(C), when the conditions of both of the following subsections (a) and (b) are met:
 - a. The non-profit tax-exempt organization:

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- i. Publicly sponsors and through its members, representatives or personnel, promotes and publicizes the event; or
 - ii. Publicly sponsors the event and;
 - 1) Performs a major portion of the performance; or
 - 2) Supplies a major portion of the materials on exhibit; or
 - 3) When the event is part of a season or series of performances or exhibitions, performs the major portion of the performances or exhibitions in the season or series or supplies a major portion of the materials on exhibit.
 - b. The non-profit tax-exempt organization receives the use and benefit of the admission charges collected.
2. The exemption to the admission tax provided in this Section shall not apply to:
- a. An event sponsored by a non-profit tax-exempt organization in which the fee paid for any one for-profit contract is greater than eighty percent (80%) of anticipated gross proceeds where the anticipated gross proceeds of the event exceed \$300,000.
 - b. An event in which a non-profit tax-exempt organization lends its name as an endorsement to an ineligible person or organization for the purpose of invoking the tax exemption provided by this Section.
3. In order to receive the benefit of the tax exemption provided by this Section, the non-profit tax-exempt organization must be registered with the City of Bellevue Tax Office pursuant to Section 4.02.040 at least thirty days prior to the first event for which an exemption is sought.

4.04.040 Deductions.

In computing the tax imposed by this Chapter, the following amounts may be deducted from the measure of the tax:

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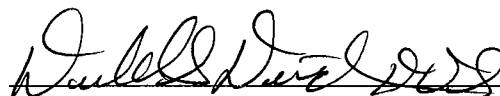
Amounts derived from business which the City is prohibited from taxing under the Constitution of this State or the Constitution or laws of the United States.

Section 3. The provisions of Sections 1 and 2 of this ordinance shall take effect and be in force on January 1, 1996.

Section 4. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

PASSED by the City Council this 11th day of December, 1995, and signed in authentication of its passage this 11th day of December, 1995.

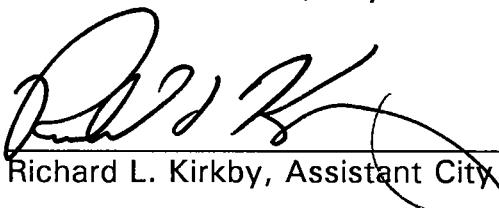
(SEAL)



Donald S. Davidson, DDS, Mayor

Approved as to form:

Richard L. Andrews, City Attorney



Richard L. Kirkby, Assistant City Attorney

Attest:



Myrna L. Basich, City Clerk

Published December 15, 1995