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Amending RMC 5.44.100
Telephone Occupation
(Utility) Tax

ORDINANCE NO. 1564

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON,
AMENDING SECTION 5.44.100 OF THE REDMOND
MUNICIPAL CODE TO CONFORM WITH A RECENTLY AMENDED
STATE LAW, RCW 35A.82.060, WHICH PROVIDES AN
EXCEPTION TO THE CITY'S TELEPHONE OCCUPATION TAX
FOR THE RESALE OF NETWORK TELEPHONE SERVICE.

WHEREAS, Section 5.44.050(a) of the Redmond Municipal Code provides that the City shall levy upon every person engaged in or carrying on any telephone business within the City, an annual occupation fee or tax equal to five and one-half percent of the total gross income, including revenues from intrastate long distance toll service, and Redmond Municipal Code Section 5.44.100 provides various exceptions to the City's several occupation taxes, and

WHEREAS, the city attorney has notified the City Council that a recently amended Washington State law, RCW 35A.82.060, provides an exception to the telephone occupation tax for gross receipts derived from the resale of network telephone service, and

WHEREAS, Redmond Municipal Code Section 5.44.100 should be amended to conform with RCW 35A.82.060, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON,
HEREBY ORDAINS AS FOLLOWS:

Section 1. Amendment. Section 5.44.100 of the Redmond Municipal Code is hereby amended to read as follows:

5.44.100 Exceptions and deductions. There shall be excepted and deducted from the total gross income upon which the license fee or tax is computed so much thereof as is derived from the transactions in interstate or foreign commerce, or from business done for the government of the United States, its officers or agents in their official capacity, and any amount paid by the taxpayer to the United States, the state of Washington, as excise taxes levied or imposed upon the sale or distribution of property or service.

There shall be excepted and deducted from the total gross income upon which the tax is computed all bad debts for services incurred, rendered or charged for during the tax year. Debts shall be deemed bad and uncollectable when they have been written off the books of the taxpayer. In the event debts are subsequently collected, the income shall be reported in the return for the quarter in which the debts are collected and at the rate prevailing in the tax year when collected.

There shall be excepted and deducted from the total gross income upon which the tax is computed all cash discounts allowed and actually granted to customers of the taxpayer during the tax year.

There shall be excepted and deducted from the total gross income upon which the telephone occupation tax is computed all gross income derived from network telephone service, as defined in RCW 82.04.065, which represents charges to another telecommunications company, as defined in RCW 80.04.010, for connecting fees, switching charges, or carrying access charges relating to intrastate toll telephone services, or for access to, or charges for, intrastate services, or charges for network telephone service that is purchased for the purpose of resale.

Nothing in this chapter shall be construed as requiring a license, or the payment of a license fee or tax, or the doing of any act, which would constitute an unlawful burden or interference in violation of the Constitution or laws of the United States or which would not be consistent with the Constitution or laws of the state of Washington.

Section 2. Effective date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of the attached summary which is hereby approved.

APPROVED:

Doreen Marchione
MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:

Doris A. Schaible
CITY CLERK, DORIS SCHAIBLE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY Joseph C. Martin

FILED WITH THE CITY CLERK:	4-26-90
PASSED BY THE CITY COUNCIL:	5-01-90
PUBLISHED:	5-06-90
EFFECTIVE DATE:	5-11-90
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