

TOWN OF RUSTON

ORDINANCE NO. 1274

**AN ORDINANCE OF THE TOWN OF RUSTON, PIERCE COUNTY, WASHINGTON,
AMENDING SECTION 5.01.050 OF THE RUSTON MUNICIPAL CODE, RELATING TO
BUSINESS AND OCCUPATION (B&O) TAX RATES.**

WHEREAS, the Town Council of the Town of Ruston finds that its current and future expenditures and revenues are likely to threaten the financial solvency of the Town in the absence of immediate actions to lower expenditures and to increase revenues; and

WHEREAS, Washington Constitution Article XI, Sec. 12 and RCW 35.27.370(9) give fourth-class municipal corporations in the State of Washington the authority to levy taxes for revenue; and

WHEREAS, the Town Council of the Town of Ruston finds that its current business and occupation (B&O) tax rates are among the lowest imposed by the 38 Washington cities and towns that currently levy B&O taxes; and

WHEREAS, it is the intent of the Town Council of the Town of Ruston to ensure adequate revenue for Town operations as well as fairness to taxpayers by levying B&O taxes at rates commensurate with rates found in surrounding communities, and generally in Washington cities and towns that impose B&O taxes;

**NOW THEREFORE, THE TOWN COUNCIL OF THE TOWN OF RUSTON, WASHINGTON,
DOES ORDAIN AS FOLLOWS:**

Section 1. RMC sections 5.01.010 and 5.01.050, and Ordinances No. 563, 1159 § 1, and 1159A § 1 are hereby amended to read in their entirety as follows:

5.01.010 Purpose.

It is the policy and intention of the Town of Ruston to impose upon business and occupations conducted in the Town a business and occupation tax, and, in imposing such tax, to ensure both adequate revenue for Town operations and fairness to taxpayers by setting rates commensurate with those imposed by surrounding communities and throughout the State.

5.01.050 Imposition of the tax – Tax or fee levied.

(a) Except as provided in subsection (b) of this section, there is hereby levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities within the Town, whether the person's office or place of business be within or without the Town. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

(1) Upon every person engaging within the Town in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the Town for sale or for commercial or industrial use, multiplied by the rate of 0.11 percent. The measure of the tax is the value of the

products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the Town.

(2) Upon every person engaging within the Town in business as a manufacturer, as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured within the Town, multiplied by the rate of 0.11 percent. The measure of the tax is the value of the products, including by-products, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the Town.

(3) Upon every person engaging within the Town in the business of making sales at wholesale, except persons taxable under subsection (b) of this section; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of 0.102 percent.

(4) Upon every person engaging within the Town in the business of making sales at retail, as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business, without regard to the place of delivery of articles, commodities or merchandise-sold, multiplied by the rate of 0.153 percent.

(5) Upon every person engaging within the Town in the business of (A) printing, (B) both printing and publishing newspapers, magazines, periodicals, books, music, and other printed items, (C) publishing newspapers, magazines and periodicals, (D) extracting for hire, and (E) processing for hire; 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 0.20 percent.

(6) Upon every person engaging within the Town in the business of making sales of retail services; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of 0.20 percent.

(7) Upon every other person engaging within the Town in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of 0.20 percent. This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing, or producing custom software or of customizing canned software, producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

(b) The gross receipts tax imposed in this section shall not apply to any person whose gross proceeds of sales, gross income of the business, and value of products, including by-products, as the case may be, from all activities conducted within the Town during any calendar year is equal to or less than \$20,000, or is equal to or less than \$5,000 during any quarter if on a quarterly reporting basis.

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this legislation.

Section 3. This Ordinance shall take effect and be in force five days from and after its passage, approval and publication as required by law.

ENACTED by the Town Council and approved by the Mayor this 15th day of December, 2008.

Bruce Hopkins, Mayor

ATTEST:

Karen Carlisle, Town Clerk

APPROVED AS TO FORM:

David J. Britton, Town Attorney