

ORDINANCE NO. 2312

AN ORDINANCE OF THE CITY OF KIRKLAND LEVYING A LEASEHOLD EXCISE TAX UPON THE ACT OR PRIVILEGE OF OCCUPYING OR USING PUBLICALLY OWNED REAL OR PERSONAL PROPERTY WITHIN THE CITY OF KIRKLAND PURSUANT TO CHAPTER 1, LAWS OF 1975 - 76 SECOND EXTRAORDINARY SESSION AND PROVIDING FOR THE COLLECTION THEREOF THROUGH THE WASHINGTON STATE DEPARTMENT OF REVENUE.

BE IT ORDAINED by the City Council of the City of Kirkland as follows:

Section 1. There is hereby levied and shall be collected a leasehold excise tax on and after January 1, 1976, upon the act or privilege of occupying or using publically owned real or personal property within the City of Kirkland through a "leasehold interest" as defined in Section 2, Chapter 61, Laws of 1975-76 Second Extraordinary Session (hereinafter called "the State Act"). The tax shall be paid, collected and remitted to the Department of Revenue of the State of Washington at the time and in the manner prescribed by Section 5 of the State Act.

Section 2. The rate of the tax imposed by Section 1 shall be four percent (4%) of the taxable rate (as defined by Section 2 of the State Act): Provided that the following credit shall be allowed in determining the tax payable:

1. With respect to a leasehold interest arising out of any lease or agreement, the terms of which were binding on the lessee prior to July 1, 1970, where such lease or agreement has not been renegotiated (as defined by Section 2 of the State Act) since that date and excluding from such credit

(a) Any leasehold interest arising out of any lease of property covered by the provisions of RCW 28B.20.394, and

(b) Any lease or agreement, including options to renew which extends beyond January 1, 1985 as follows: With respect to taxes due in the calendar year 1976, a credit equal to eighty percent (80%) of the tax produced by the above rate. With respect to taxes due in the calendar year 1977, a credit equal to sixty percent (60%)

of the tax produced by the above rate. With respect to taxes due in the calendar year 1978, a credit equal to forty percent (40%) of the tax produced by the above rate. With respect to taxes due in the calendar year 1979, a credit equal to twenty percent (20%) of the tax produced by the above rate.

2. With respect to a product lease (as defined by Section 2 of the State Act), a credit of thirty-three percent (33%) of the tax produced by the above rate.

Section 3. The administration and collection of the tax imposed by this Ordinance shall be in accordance with the provisions of the State Act.

Section 4. Leasehold interest exempted by Section 13, of the State Act, as it now exists or may hereafter be amended shall be exempt from the tax imposed pursuant to Section 1 of this Ordinance.

Section 5. The City of Kirkland hereby consents to the inspection of such records as are necessary to qualify the City for inspection of records of the Department of Revenue pursuant to RCW 82.32.330.

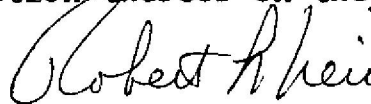
Section 6. The City Manager is authorized to execute a contract with the Department of Revenue of the State of Washington for the administration and collection of the tax imposed by Section 1, substantially in the form of the agreement attached to the original copy of this Ordinance, provided that the City Attorney shall first approve the form and content of said contract.

Section 7. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

Section 8. This Ordinance shall be in force and take effect five days from and after its passage by the Kirkland City Council in regular meeting and publication as required by law.

PASSED by the Kirkland City Council in regular meeting on the 15th day of March, 1976.

SIGNED in authentication thereof on the 15th day of March, 1976.



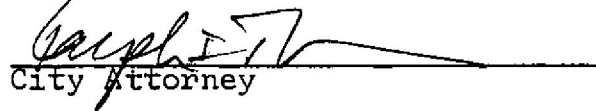
Mayor

ATTEST:



Director of Administration & Finance
(ex officio City Clerk)

Approved as to form:



City Attorney

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AGREEMENT BETWEEN THE STATE OF WASHINGTON, DEPARTMENT OF REVENUE
AND THE CITY OF KIRKLAND REGARDING ADMINISTRATION AND
COLLECTION OF LOCAL LEASEHOLD EXCISE TAX

THIS AGREEMENT, Made this _____ day of _____, 19____, by and between the State of Washington, Department of Revenue, hereinafter referred to as the Department, and the above designated city, hereinafter referred to as the city, WITNESSETH:

WHEREAS, The Legislature of the State of Washington has by chapter 61, Laws of 1975-76, 2nd ex. sess., authorized cities and counties to impose a local leasehold excise tax, and

WHEREAS, It is provided in section 8 of said act that any city or county imposing a local leasehold excise tax by ordinance shall, prior to the effective date thereof, contract with the Department for the administration and collection of said tax, and

WHEREAS, The city has by ordinance, a copy of which is attached hereto, elected to impose a leasehold excise tax commencing on the first day of _____, 19____,

NOW, THEREFORE, To effectuate section 8 of the aforementioned act, the parties hereto agree as follows:

1. The Department shall exclusively perform all functions incident to the administration and collection of the taxes imposed by the said ordinance, other than criminal prosecutions.

2. The Department shall retain from the taxes so collected the amount of two percent thereof as expenses of administration and collection. Said amount shall be subject to review during January of each year.

3. The remainder of said taxes so collected shall be deposited by the Department in the Local Leasehold Excise Tax Revolving Fund under the custody of the State Treasurer.

4. In carrying out its administration and collection duties hereunder, the Department shall, insofar as the same are applicable, apply the administrative provisions contained in chapters 82.02 and 82.32 RCW, and the Department's rules and regulations promulgated pursuant to RCW 82.32.300, as the same exist or may hereafter be amended. The Department shall adopt additional rules and regulations, in accordance with the State Administrative Procedure Act, to facilitate the administration and collection of the local taxes as it may deem necessary or desirable.

5. The Department shall perform its duties hereunder so that as far as possible the local leasehold excise tax adopted by the city shall be administered and collected in a manner which is as consistent

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and uniform as possible with the state leasehold excise tax and facilitates the imposition of the local leasehold excise tax upon individual taxable events simultaneously with the imposition of the state leasehold excise tax.

6. The city shall have the right from time to time to examine the records of the Department as they concern taxpayers subject to the aforementioned ordinance.

7. The allocation of local leasehold excise tax collections among the various cities and counties will be sent by the Department to the State Treasurer within 60 days after the close of the first bimonthly period for which the tax is imposed and thereafter on a bimonthly basis.

8. All refunds and credits for local leasehold excise tax made by the Department shall be charged to the city.

9. The Department shall require redistribution to the affected counties or cities, of any tax, penalty and interest distributed to a county or city other than the county or city entitled thereto but such redistribution shall not be made as to amounts originally distributed earlier than three bimonthly periods prior to the bimonthly period in which the Department obtains knowledge of the improper distribution.

10. This agreement shall take effect on the _____ day of _____, 197__, and shall thereafter be automatically renewed on December 31 of each year unless one of the parties gives written notice of termination on or before November 1 of each such year.

11. In witness whereof the parties hereto have affixed their signature the day and year first above written.

DEPARTMENT OF REVENUE
STATE OF WASHINGTON

By _____
Director

[CITY] OF KIRKLAND

By Robert R. New, Mayor
Title Mayor

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