

## Chapter 3.16

### Occupation Tax

#### Sections:

- 3.16.010 Generally
- 3.16.020 Accounting Requirement
- 3.16.030 Telephone Business – Levy of Tax
- 3.16.031 Telephone Business – Defined
- 3.16.032 Telephone Business – Competitive Telephone Service Defined
- 3.16.040 Sale of Gases
- 3.16.050 Electrical Utilities
- 3.16.060 Public Utilities
- 3.16.070 Franchise Fee – Water and Sewer Utility
- 3.16.080 Late Payment Fee

**3.16.010 Generally.** There are levied and shall be collected annual license fees or occupation taxes against the persons on account of the business activities, and in the amounts to be determined by the application of the rates against gross income, as set forth in this chapter. (Ord. 1011, 1966)

**3.16.020 Accounting Requirement.** Businesses subject to taxation pursuant to this chapter shall account to the City not less often than quarterly showing the revenue derived within the City on a month by month basis in each category of revenue and/or tax bracket subject to taxation under this chapter. The City shall have the right, at its expense, to conduct such audit procedures as may be necessary to confirm such accounting and shall have the right, at the expense of the business subject to taxation, to conduct such audit procedures as are necessary to establish or account for the taxable revenue should the business subject to taxation fail or refuse to provide an accounting as provided by this section. (Ord. 1386 SS1, 1978)

**3.16.030 Telephone Business – Levy of Tax.** Upon any telephone business there shall be levied a tax equal to 6 percent of the total gross operating revenues, including revenues from intrastate toll, derived from the operation of such businesses from the City of Snohomish. Gross operating revenues, for this purpose, shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this section. (Ord 1630, 1987)

**3.16.031 Telephone Business – Defined.** “Telephone business” means the business of providing access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, telephonic, video, data, or similar communication or transmission for hire, via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. The terms include cooperative or farmer line telephone companies or associations operating an exchange. “Telephone business” does not include the providing of competitive telephone service, or providing of cable television service, or other providing of broadcast services by radio or television stations. (Ord. 1738, 1993)

**3.16.032 Telephone Business – Competitive Telephone Service Defined.** “Competitive telephone service” means the providing by person of telecommunications equipment or apparatus, directory advertising and lease of telephone street directories, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which may be provided by persons not subject to regulation as telephone companies under

Title 80 RCW, and for which a separate charge is made. Transmission of communication through cellular telephones is classified as “telephone business” rather than “competitive telephone service”. (Ord. 1738, 1993)

**3.16.040 Sale of Gases.** There shall be levied upon every person engaged within the city of Snohomish in the sale of natural, artificial or mixed gases a fee or tax equal to six percent (6%) of the first \$1,000 per month of revenue derived from each customer consuming gas in the city of Snohomish, and three percent (3%) on all additional revenues per month derived from each customer consuming gas in the city of Snohomish. All fees or taxes shall be paid monthly on or before the 20th day of the following month. “Customer” means any person, firm or corporation purchasing gas from a company at a single location. In computing the tax, there shall be deducted from the revenues only amounts derived from any business which the City is prohibited from taxing under the Constitution of the United States and the State of Washington. (Ord. 1808, 1996)

**3.16.050 Electrical Utilities.** There shall be levied upon every electrical utility district engaged in the sale of electricity within the city of Snohomish a tax of six percent (6%) of the first \$1,000 per month of revenue derived from each customer consuming electricity in the city of Snohomish, and four percent (4%) on all additional revenue per month derived from each customer consuming electricity in the city of Snohomish, exclusive of revenue derived from the sale of electricity for purposes of resale. “Customer” means any person, firm or corporation purchasing electricity from a company at a single location. The tax shall be paid monthly upon the 20th day of the month next succeeding the month upon which the same is delivered. In computing

the tax, there shall be deducted from the revenues only amounts derived from any business which the City is prohibited from taxing under the Constitution of the United States and the State of Washington. (Ord. 1011, 1966; Ord. 1386, 1978; Ord. 1808, 1996)

**3.16.060 Public Utilities.** There shall be levied upon every person engaged in the sale of water, sewer service, or solid waste service within the City of Snohomish, except special purpose districts and municipalities other than the City of Snohomish, a tax of five and 33/100 percent (5.33%) on the revenue derived from each customer’s monthly service charges for water, sewer, and solid waste service within the City of Snohomish. Likewise, there shall be levied upon the City of Snohomish, a tax of five and 33/100 percent (5.33%) on the revenue derived from each customer’s monthly service charges for water, sewer, and solid waste service outside the City of Snohomish, but supplied by the City. “Customer” means any person, firm or corporation purchasing water, sewer service, or solid waste service at a single location from the City of Snohomish or from persons and supplied within the City of Snohomish. The tax shall be paid monthly on or before the 20<sup>th</sup> day of the following month. In computing the tax, there shall be deducted from the revenues only amounts derived from any business which the City is prohibited from taxing under the Constitution of the United States and the State of Washington. (Ord. 1808, 1996; Ord. 1849, 1997; Ord. 1932, 1999; Ord. 1968, 2000; Ord. 2025, 2003; Ord. 2147, 2008)

**3.16.070 Franchise Fee – Water and Sewer Utility.**

A. Franchise right: The City Sewer and Water Utility is hereby granted a franchise as provided herein.

- B. Duration: the franchise granted herein shall be perpetual.
- C. Rights granted: The Sewer and Water Utility of the City of Snohomish is hereby granted the right to install, maintain, repair, replace and operate pipelines under the surfaces of the streets, alleys and other public ways of the City at locations approved by the City Engineer.
- D. Construction Specifications: The pipelines shall be laid according to specifications provided by the City Engineer.
- E. Indemnification and Hold Harmless Agreement: The City Sewer and Water Utility shall indemnify the City and hold the City harmless from any loss or costs due to any claim or liability resulting from the construction or maintenance of the system or the operation of the pipelines in any way. (Ord. 1802, 1996)

**3.16.080 Late Payment Fee.** As to all taxes due under this chapter, beginning with tax to be paid for the month of October, 1996, if said tax is not paid on or before the date specified in the various sections of this chapter, a late payment penalty shall accrue and be added to the tax due as follows:

If any tax is not paid within 45 days of its due date, a penalty shall be added equal to five percent (5%) of the tax, with a minimum penalty of \$2.00. (Ord. 1808, 1996)