

# Business License and Tax Information Sheet



## Background

The City of Shoreline, like most cities in Washington, faces a structural imbalance in funding core operations, where the cost of maintaining services is growing faster than the revenues available to support them.

In 2014, the City Council developed a 10 Year Financial Sustainability Plan that identifies seven strategies to help achieve financial sustainability over the 10 year forecast. Five of the seven strategies have been implemented, and the City forecasts sufficient revenues through 2021, primarily relying on a voter-approved levy lid lift that expires in 2022. For access to the Ten Year Financial Sustainability Plan, please visit our website at: [shorelinewa.gov](http://shorelinewa.gov).

## Business Outreach Survey and Workshops

The City conducted an online survey of local businesses followed by two workshop sessions in June 2017 to provide information on the City's financial forecast and budget, and to collect feedback on the potential B&O tax.

For access to the Financial Sustainability Business Outreach report, please visit our website at [shorelinewa.gov](http://shorelinewa.gov).

## Business and Occupation (B&O) Tax

On December 4, 2017 the City Council adopted a B&O tax in Shoreline. All businesses operating in Shoreline that have gross receipts in excess of \$500,000 per year (or \$125,000 per quarter), except 501(C)(3) non-profits, will be subject to the tax effective January 1, 2019. A rate of 0.001 will be applied to all gross receipts for all business classifications except services which will be taxed at a rate of 0.002.

## FileLocal Transition

The City will partner with FileLocal for business licenses and tax. FileLocal is an agency operated by participating cities to offer a web-based option that allows users to transact business with multiple cities in one virtual location. FileLocal allows users to: file business license applications, pay business license renewals, and to file and pay local B&O tax returns. Participating cities include: Seattle, Bellevue, Everett, Tacoma, Lake Forest Park, and Renton. Shoreline and Bremerton have joined FileLocal and are coming online soon.

Until January 1, 2019, the City of Shoreline will maintain its partnership with the State of Washington Business Licensing Service (BLS) to handle applications for business licenses through the state's combined-licensing process. If you need to register a business license or renew a currently active one, please do so before December 24, 2018 on BLS at: [bls.dor.wa.gov](http://bls.dor.wa.gov).

The City of Shoreline is transitioning to FileLocal for its business licensing and tax filing solution, effective January 1, 2019. Effective January 1, 2019, the City of Shoreline will be using a combined tax form for B&O Tax, Utility Tax and Gambling Tax. The combined form will be made available through FileLocal for filing, effective January 1, 2019.

Effective January 1, 2019, business licensing requirements will change per Shoreline Municipal Code (SMC) 5.05. A minimum threshold will apply; any persons or businesses conducting business within the City and generating equal to or more than \$2,000 will require a business license, unless otherwise exempted in SMC 5.05.040.

For general information regarding FileLocal, please visit [www.filelocal.org](http://www.filelocal.org).

Further information and instructions on how to set-up an account on FileLocal will be mailed to businesses in Quarter 4, 2018.

## More information & questions

For help with any questions, please contact the City Clerk's office:

**PHONE:** (206) 801-2230

**WEB:** [shorelinewa.gov/businessoccupationtax](http://shorelinewa.gov/businessoccupationtax)

**EMAIL:** [clk@shorelinewa.gov](mailto:clk@shorelinewa.gov)