

ORDINANCE NO. 1205

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING SECTION 3.16.070 GHMC TO ALLOW FOR A DEDUCTION ON THE TOTAL GROSS INCOME UPON WHICH BUSINESS AND OCCUPATION TAX IS COMPUTED FOR BAD DEBTS; ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the City of Gig Harbor is authorized to tax the gross income of private utility businesses operating within the City's boundaries and the City's own municipal utilities pursuant to RCW 35A.82.020; and

WHEREAS, the City Council desires to allow for a deduction on the total gross income upon which utility businesses are taxed for certain bad debts; Now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Amended. Section 3.16.070 GHMC is hereby amended to read as follows:

There is 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 business which the city is prohibited from taxing under the Constitution or laws of the United States or the Constitution or laws of the state of Washington, and any amount paid by the taxpayer to the United States or the state of Washington as excise taxes levied or imposed upon the sale or distribution of property or services.

There shall also 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 uncollectible 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.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 3. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor,
this 25th day of April, 2011.

CITY OF GIG HARBOR



Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:



Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney



Angela S. Belbeck

Filed with city clerk: 04/06/11
Passed by the city council: 04/25/11
Date published: 05/05/11
Date effective: 05/10/11
Ordinance No. 1205