

## Chapter 3.60

# BUSINESS AND OCCUPATION TAX

### Sections:

- 3.60.010** Exercise of revenue license power.
- 3.60.020** Definitions.
- 3.60.030** Occupation license required.
- 3.60.040** License tax year.
- 3.60.050** Occupations subject to tax – Amount.
- 3.60.060** Exceptions and deductions.
- 3.60.070** Application or return for license.
- 3.60.080** Monthly payment of tax.
- 3.60.090** Commencement of business during tax year.
- 3.60.100** Sale or transfer of business.
- 3.60.110** Taxpayer to keep books and records – Returns confidential.
- 3.60.120** City clerk to investigate returns.
- 3.60.130** Cost of audit.
- 3.60.140** Over- or under-payment of tax.
- 3.60.150** Remedy for nonpayment of tax.
- 3.60.160** Appeals to city council.
- 3.60.170** City clerk to make rules.
- 3.60.180** Licenses – Posting – Unlawful use of.
- 3.60.190** False returns, etc.

### **3.60.200 Effect of partial invalidity.**

### **3.60.210 Penalty.**

### **3.60.010 Exercise of revenue license power.**

The provisions of this chapter shall be deemed an exercise of the power of the city to license for revenue. (Ord. 1047 § 1, 1981).

### **3.60.020 Definitions.**

In construing the provisions of this chapter, save when otherwise plainly declared or clearly apparent from the context, the following definitions shall be applied:

A. "Cable television service" means the business of delivery or distribution of cable television picture or signal.

B. "Cellular telephone service" is a two-way voice and data telephone/telecommunications system based in whole or substantial part on wireless radio communications and which is not subject to regulation by the Washington Utilities and Transportation Commission (WUTC). This includes cellular mobile service. Cellular mobile service includes other wireless radio communication services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communication technology which accomplishes the same purpose as cellular mobile service. Cellular telephone service is included within the definition of "telephone business" for the purposes of this chapter.

C. "Competitive telephone service" means the providing by any person of telecommunications equipment or apparatus, directory advertising and lease 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 RCW Title [80](#), and for which a separate charge is made. Transmission of communication through cellular telephones is classified as "telephone business" rather than "competitive telephone service."

D. "Gross income" means the value proceeding or accruing from the sale of tangible property or service, and receipts (including all sums earned or charged, whether received or not) by reason of the investment of capital in the business engaged in, including rentals, royalties, fees or other emoluments, however designated (excluding receipts or proceeds from the use or sale of real property or any interest therein and proceeds from the sale of notes, bonds, mortgages, or other evidences of indebtedness, or stock and the like) and without any deduction on account of the property sold, the

cost of materials used, labor costs, interest or discount paid or any expense whatsoever, and without any deduction on account of losses.

E. "Pager service" means service provided by means of an electronic device which has the ability to send or receive voice or digital messages transmitted through the local telephone network, via satellite or any other form of voice or data transmission. Pager service is included within the definition of "telephone business" for the purpose of this chapter.

F. "Person or persons" means persons of either sex, firms, copartnerships, corporations and other associations of natural persons whether acting by themselves or by servants, agents or employees.

G. "Tax year" or "taxable year" means the year commencing January 1st and ending on the last day of December of the same year, or, in lieu thereof, the taxpayer's fiscal year when permission is obtained from the city clerk to use the same as the tax period.

H. "Taxpayer" means any person liable to the license fee or tax imposed by this chapter.

I. "Telephone business" means the business of providing access to a local telephone network, local telephone network switching service, toll service, coin telephone services, telephonic, video, data, pagers, 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 term includes cooperative or farmer line telephone companies or associations operating exchanges. "Telephone business" does not include the providing of competitive telephone service, or the providing of cable television service or other providing of broadcast services by radio or television stations. (Ord. 1671 § 1, 2004; Ord. 1047 § 2, 1981).

### **3.60.030 Occupation license required.**

A. After the taking effect of this chapter no person shall engage in or carry on any business, occupation, pursuit or privilege for which a license fee or tax is imposed by this chapter without having first obtained, and being the holder of, a valid and subsisting license so to do, to be known as an "occupation license."

B. Any person engaging in, or carrying on, more than one such business, occupation, pursuit or privilege shall pay the license tax so imposed upon each of the same.

C. Any taxpayer who engages in, or carries on, any business subject to tax under this chapter without having his occupation license so to do, shall be guilty of a violation of this chapter for each day during which the business is so engaged in or carried on, and any taxpayer who fails or refuses to pay the

license fee or tax or any part thereof on or before the due date shall be deemed to be operating without having his license so to do. (Ord. 1047 § 3, 1981).

### **3.60.040 License tax year.**

A. All occupation licenses shall be for the tax year for which issued and shall expire at the end of such tax year.

B. Such occupation license and the fee or tax therefor hereby imposed shall be for the year commencing January 1st and ending on the last day of December of the same year; provided, however, that if the taxpayer in transacting his business keeps the books reflecting the same for a fiscal year not based on the calendar year, he may, with the assent of the city clerk, obtain his license for the period of his current fiscal year which shall be deemed his tax year. (Ord. 1047 § 4, 1981).

### **3.60.050 Occupations subject to tax – Amount.**

There are levied upon and shall be collected from the persons on account of the business activities annual license fees or occupation taxes in the amounts to be determined by the application of the rates against gross income, as follows:

A. Upon every person engaged in or carrying on a telephone business, a fee or tax equal to six percent of the total gross income including revenues from intrastate toll, derived from the operation of such businesses within the city, due under this chapter shall be paid monthly on or before the twentieth day of each month following the close of each calendar month. Gross income 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 chapter.

B. Upon every person engaged in or carrying on the business of selling or furnishing natural gas, a fee or tax equal to six percent of the total gross income from such business in the city due under this chapter shall be paid monthly on or before the twentieth day of each month following the close of each calendar month; provided, that there shall not be any tax levied for installation charges.

C. Upon every person engaging in or carrying on the business of selling or furnishing electric light and power or electrical energy, a fee or tax equal to six percent of the total gross income from such business in the city, due under this chapter shall be paid monthly on or before the twentieth day of each month following the close of each calendar month; provided, that there shall not be any tax levied for installation charges.

D. Upon every person or corporation engaged in or carrying on the business of conducting a sewage disposal business, a fee or tax equal to six percent of the total gross income from such business

conducted in the city, due under this chapter shall be paid monthly on or before the twentieth day of each month following the close of each calendar month; provided, that there shall not be any tax levied for installation charges.

E. Upon every person or corporation engaged in or carrying on the business of distributing and selling of water, a fee or tax equal to twenty-four and two-tenths percent of the total gross income from such business conducted in the city, due under this chapter shall be paid monthly on or before the twentieth day of each month following the close of each calendar month; provided, that there shall not be any tax levied for installation charges.

F. Upon each person or corporation engaged in or carrying on the business of delivery or distributing of cable television picture or signals, a fee or tax equal to six percent of the total gross income from such business conducted in the city, due under this chapter shall be paid monthly on or before the twentieth day of each month following the close of each calendar month; provided, that there shall not be any tax levied for installation charges.

G. Upon each person or corporation engaged in or carrying on the business of collecting garbage or refuse, a fee or tax equal to 38 percent of the total gross income from such business conducted in the city of Grandview, due hereunder, shall be paid monthly on or before the twentieth day of each month following the close of each calendar month. (Ord. 2014-19 § 1; Ord. 2007-32 § 1; Ord. 1741 § 1, 2005; Ord. 1650 § 1, 2003; Ord. 1478 § 1, 1996; Ord. 1047 § 5, 1981).

### **3.60.060 Exceptions and deductions.**

A. There shall be excepted and deducted from the total gross income upon which the license fee or tax is computed (and before computation of the tax) so much thereof as is derived from transactions in interstate or foreign commerce, or from business done for the government of the United States, its officers or agents, and any amount paid by the taxpayer to the United States, the state or the city, as excise taxes levied or imposed upon the sale or distribution of property or services. In addition, the taxpayer may deduct from the tax due under this chapter, the amount paid by the taxpayer to the city as a franchise fee for the taxable year.

B. Nothing in this chapter shall be construed as requiring a license, or the payment of a license fee or tax, or the doing of any act, which would constitute an unlawful burden or interference in violation of the Constitution or laws of the United States, or which would not be consistent with the Constitution or laws of the state. (Ord. 1047 § 6, 1981).

### **3.60.070 Application or return for license.**

A. On or before 30 days after the effective date of the ordinance codified in this chapter, and thereafter on or before the first day of each tax year, every taxpayer shall apply to the city clerk for an occupation

license upon blanks or forms of return to be prepared and provided by the clerk requesting such information as may be necessary to enable the clerk to arrive at the lawful amount of the fee or tax. The taxpayer shall, in a legible manner, write in such blank or form of return the information required and shall sign the same by affidavit at the foot thereof, shall swear or affirm that the information therein given is full and true and that he knows the same to be so.

B. If the applicant be a partnership, the application or return must be made by one of the partners; if a corporation, by one of the officers thereof; if a foreign corporation, copartnership or nonresident individual by the resident agent or local manager of said corporation, copartnership or individual. (Ord. 1047 § 7, 1981).

### **3.60.080 Monthly payment of tax.**

When the amount of the license fee or tax is based upon gross income, the taxpayer shall pay his fee or tax in monthly installments on or before the twentieth day of the month. At the end of the year, he shall make a complete return and pay the balance of any found to be due. (Ord. 1047 § 8, 1981).

### **3.60.090 Commencement of business during tax year.**

A. When a business, occupation or pursuit subject to tax upon gross income has not been carried on for a full month preceding the tax month for which license is required, the license fee or tax shall be paid after the first full month of the commencement of business, and shall be based upon the gross income for the month next preceding that in which payment is due. In such cases, the taxpayer shall make monthly returns on or before the twentieth day of the month, under oath or affirmation covering the business of the previous month.

B. In all other cases where a person commences during any tax year to engage in any business, occupation, pursuit or privilege, he shall be entitled to a license for the remainder of the tax year. The tax due under this chapter shall be paid monthly on or before the twentieth day of each month following the close of each calendar month. (Ord. 1047 § 9, 1981).

### **3.60.100 Sale or transfer of business.**

Upon the sale or transfer during any tax year of a business on account of which a fee or tax is required, the purchaser or transferee shall, if the fee or tax has not been paid in full for the year, be responsible for its payment for that portion of the year during which he carried on such business. (Ord. 1047 § 10, 1981).

### **3.60.110 Taxpayer to keep books and records – Returns confidential.**

A. It shall be the duty of each taxpayer taxed upon his gross income to keep and enter in a proper book or set of books or records an account which shall accurately reflect the amount of his gross

income, which account shall always be open to the inspection of the city clerk or his duly authorized agent, and from which said officer or his agent may verify the return made by the taxpayer.

B. The applications, statements or returns made to the city clerk, pursuant to this chapter, shall not be made public, nor shall they be subject to the inspection of any person except the mayor, the corporation counsel, the city clerk or his authorized agent, and members of the city council. (Ord. 1047 § 11, 1981).

### **3.60.120 City clerk to investigate returns.**

If any taxpayer fails to apply for license or make his return, or if the city clerk is dissatisfied as to the correctness of the statements made in the application or return of any taxpayer, said officer, or his authorized agent, may enter the premises of such taxpayer at any reasonable time for the purpose of inspecting his books or records of account to ascertain the amount of the fee or tax or to determine the correctness of such statements, as the case may be, and may examine any person under oath administered by said officer, or his agent, touching the matters inquired into, or said officer, or his authorized agent may fix a time and place for an investigation of the correctness of the return and may issue a subpoena to the taxpayer, or any other person, to attend upon such investigation and there testify, under oath administered by said officer, or his agent, in regard to the matters inquired into and may, by subpoena require him, or any person, to bring with him such books, records and papers as may be necessary. (Ord. 1047 § 12, 1981).

### **3.60.130 Cost of audit.**

Upon the failure or refusal of the taxpayer to furnish the information called for by the city clerk, or if the books and records of the taxpayer are complicated, or do not readily disclose the information required for making a complete or satisfactory return without the assistance of a skilled accountant, then the city clerk may in his discretion employ a skilled accountant and such clerical assistance as is necessary to make an audit of the books and records of said taxpayer and such expenses shall be collected from the taxpayer in the manner provided for the collection of the license or tax. (Ord. 1047 § 13, 1981).

### **3.60.140 Over- or under-payment of tax.**

If the city clerk upon investigation or upon checking returns finds that the fee or tax paid on any of them is more than the amount required of the taxpayer, he shall refund the amount overpaid by a warrant upon the general fund. If the city clerk finds that the fee or tax paid is less than required, he shall send a statement to the taxpayer showing the balance due, who shall within three days pay the amount shown thereon. (Ord. 1047 § 14, 1981).

### **3.60.150 Remedy for nonpayment of tax.**

If any taxpayer fails to apply for license, or make his return, or to pay the fee or tax therefor, or the cost of any audit required by the city clerk, or any part thereof, within three days after the same has become due, the city clerk shall ascertain the amount of the fee or tax or installment thereof and/or cost of audit, due and shall notify such taxpayer thereof, who shall be liable therefor in any suit or action by the city for the collection thereof. The city clerk shall also notify the city attorney in writing of the name of the delinquent taxpayer and the amount due from him and said officer shall, with the assistance of the city clerk, collect the same by any appropriate means or by suit or action in the name of the city. (Ord. 1047 § 15, 1981).

### **3.60.160 Appeals to city council.**

A. Any taxpayer aggrieved by the amount of the fee or tax found by the city clerk to be required under the provisions of this chapter, may appeal to the city council from such finding by filing a written notice of appeal with the city clerk within five days from the time such taxpayer was given notice of such amount. The city clerk shall, as soon as practicable, fix a time and place for the hearing of such appeal, which time shall be not more than 10 days after the filing of the notice of appeal, and he shall cause a notice of the time and place thereof to be delivered or mailed to the appellant. At such hearing the taxpayer shall be entitled to be heard and to introduce evidence in his own behalf. The city council shall thereupon ascertain the correct amount of the fee or tax by resolution and the city clerk shall immediately notify the appellant thereof, which amount, together with costs of appeal, if appellant is unsuccessful therein, must be paid within three days after such notice is given.

B. The mayor of the city, or any councilman of the city, may, by subpoena, require the attendance thereat of any person, and may also require him to produce any pertinent books and records. Any person served with such subpoena shall appear at the time and place therein stated and produce the books and records required, if any, and shall testify truthfully under oath administered by the mayor or any member of the city council in charge of the hearing on appeal as to any matter required of him pertinent to the appeal, and it shall be unlawful for him to fail or refuse so to do. (Ord. 1047 § 16, 1981).

### **3.60.170 City clerk to make rules.**

The city clerk shall have the power, and it shall be his duty, from time to time, to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with law for the purpose of carrying out the provisions thereof, and it shall be unlawful for any taxpayer to violate or fail to comply with, any such rule or regulation. (Ord. 1047 § 17, 1981).

### **3.60.180 Licenses – Posting – Unlawful use of.**

A. All licenses issued pursuant to the provisions of this chapter shall be kept posted by the licensee in a conspicuous place in his principal place of business in the city.



B. No persons to whom a license has been issued, pursuant to this chapter, shall suffer or allow any other person chargeable with a separate license to operate under or display his license, nor shall such other person operate under or display such license. (Ord. 1047 § 18, 1981).

### **3.60.190 False returns, etc.**

It is unlawful for any person liable to tax under this chapter to fail or refuse to make application or return or any false statement or representation, in, or in connection with, any such application or return, or to aid or abet another in any attempt to evade payment of the fee or tax, or any part thereof, or for any person to fail to appear, and/or testify in response to subpoena issued pursuant to this chapter, or to testify falsely upon any investigation of the correctness of a return, or upon the hearing of any appeal, or in any manner to hinder or delay the city or any of its officers or auditor in carrying out the provisions of this chapter. (Ord. 1047 § 19, 1981).

### **3.60.200 Effect of partial invalidity.**

If any provision or section of this chapter shall be held void or unconstitutional by any court having jurisdiction, all other parts, provisions and sections of this chapter not expressly so held to be void or unconstitutional shall continue in full force and effect. (Ord. 1047 § 20, 1981).

### **3.60.210 Penalty.**

Any person violating or failing to comply with any of the provisions of this chapter or any lawful rule or regulation adopted by the city clerk pursuant thereto, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine in any sum not to exceed \$300.00, or by punishment in the county jail for a term not exceeding 90 days, or by both such fine and imprisonment. (Ord. 1047 § 21, 1981).

---

The Grandview Municipal Code is current through Ordinance 2020-4, passed March 10, 2020.

Disclaimer: The city clerk's office has the official version of the Grandview Municipal Code. Users should contact the city clerk's office for ordinances passed subsequent to the ordinance cited above.

City Website: <https://grandview.wa.us/>

City Telephone: (509) 882-9200

[Code Publishing Company](#)