

**Exhibit B: Calculation of the Total Effect of Lake Stevens Levy City Utility Tax**

Total Bill Excluding City Tax and City Tax Related Additional Revenue	\$100.00
City Tax and City Tax Related Additional Revenue	\$6.27
Gross Taxable Revenue	\$106.27

Allowed City Tax Deductions

Credit Losses	Y	\$0.55
State Utility Tax	N	\$0.00
State Filing Fee	N	\$0.00
City Tax	Y	\$5.99
Total Deductions		\$6.53

Net City Tax Taxable Revenue	\$99.74
City Tax Payable	\$5.98
Additional State Utility Tax due to City Tax	\$0.24
Additional State Filing Fee due to City Tax	\$0.01
Additional Credit Losses due to City Tax	\$0.03

Total Cost due to City Tax \$6.27

Difference between collected and paid \$0.00

Difference between City Tax Deduction and City Tax Paid \$0.00

Difference in collection, per \$M resulting from using SAP rate = (\$0.00)

Model Version: 4/19/2018

\$100.00  
\$6.27  
\$106.27  
\$0.00  
\$0.00

Energy

G

Ordinance City Tax Rate = 6.00%

Calculated Grossed-up City Tax Rate = 6.269307%

Electric State Utility Tax Rate =	3.8734%
Natural Gas State Utility Tax Rate =	3.8520%
State Utility Tax Rate w/ Loss Adjustment =	3.832%
State Filing Fee Rate =	0.200%
State Filing Fee w/ Loss Adjustment =	0.199%
Bad Debts Rate =	0.5140%
	G 0.005140
	E 0.007157

Grossed-up City Tax Rate to Use in CLX = \$0.0627

Refresh

0.0100% [Hit "Refresh" button until F25 and D22 are near zero]  
[Manual adjustment of I3 is necessary in some cases]

**PUGET SOUND ENERGY-ELECTRIC  
CONVERSION FACTOR - ELECTRIC  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**

LINE NO.	DESCRIPTION	RATE
1	BAD DEBTS	0.007157
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX - NET OF BAD DEBTS ( 3.8734% - ( LINE 1 * 3.8734% ) ) 3.8734%	0.038457
4		
5	SUM OF TAXES OTHER	0.047614
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5)	0.952386
8	FEDERAL INCOME TAX ( LINE 7 * 21%)	21% 0.200001
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 5 + LINE 8 )	0.752385

**PUGET SOUND ENERGY-GAS  
CONVERSION FACTOR - GAS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**

LINE NO.	DESCRIPTION	RATE
1	BAD DEBTS	0.005140
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX - NET OF BAD DEBTS ( 3.852% - ( LINE 1 * 3.852% ) )	3.852% <u>0.038322</u>
4		
5	SUM OF TAXES OTHER	0.045462
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5)	0.954538
8	FEDERAL INCOME TAX ( LINE 7 * 21%)	21% <u>0.200453</u>
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 5 + LINE 8 )	<u>0.754085</u>

0.002

**RCW 80.24.010**

**Companies to file reports of gross revenue and pay fees — Delinquent fee payments.**

Every public service company subject to regulation by the commission shall, on or before the date specified by the commission for filing annual reports under RCW 80.04.080, file with the commission a statement on oath showing its gross operating revenue from intrastate operations for the preceding calendar year or portion thereof and pay to the commission a fee equal to one-tenth of one percent of the first fifty thousand dollars of gross operating revenue, **plus two-tenths of one percent of any gross operating revenue in excess of fifty thousand dollars**; PROVIDED, That the commission may, by rule, set minimum fees that do not exceed the cost of collecting the fees. The commission may by rule waive any or all of the minimum fee established pursuant to this section.

The percentage rates of gross operating revenue to be paid in any year may be decreased by the commission for any class of companies subject to the payment of such fees, by general order entered before March 1st of such year, and for such purpose such companies shall be classified as follows:

Electrical, gas, water, telecommunications, and irrigation companies shall constitute class one. Every other company subject to regulation by the commission, for which regulatory fees are not otherwise fixed by law shall pay fees as herein provided and shall constitute additional classes according to kinds of businesses engaged in.

Any payment of the fee imposed by this section made after its due date shall include a late fee of two percent of the amount due. Delinquent fees shall accrue interest at the rate of one percent per month.

[2003 c 296 § 1; 1994 c 83 § 1; 1990 c 48 § 1; 1985 c 450 § 14; 1961 c 14 § 80.24.010. Prior: 1955 c 125 § 2; prior: 1939 c 123 § 1, part; 1937 c 158 § 1, part; 1929 c 107 § 1, part; 1923 c 107 § 1, part; 1921 c 113 § 1, part; RRS § 10417, part.]

**Notes:**

Severability -- Legislative review -- 1985 c 450: See RCW 80.36.900 and 80.36.901.

<http://apps.leg.wa.gov/rcw/default.aspx?cite=80.24.010>

	check		
	Gas	Electric	
0.002	0.002	0.002	

Electric 0.038734  
 Gas 0.03852



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**Public utility tax**

**What is the public utility tax?**  
 It is a tax on public service businesses, including businesses that engage in transportation, communications, and the supply of energy, natural gas, and water. The tax is in lieu of the business and occupation (B&O) tax.

**How do I pay the tax?**  
 Effective July 2005, the Public Utility Tax became an [addendum](#) to the [Combined Excise Tax Return](#).

**What rate do I pay?**  
 There are five different rates, depending on the specific utility activity:

	Rate
Distribution of water	.00000
Generation/distribution of electrical power	.038734
Telegraph companies, distribution of natural gas, and collection of sewerage	.03852
Urban transportation and watercraft vessels under 65 feet in length	.00642
Railroads, railroad car companies, motor transportation and all other public service businesses	.01926

**What are the funds used for?**  
 The majority of the funds are distributed into the state general fund. A portion, however, provides financial assistance to local governments for maintenance of public works facilities.

**Forms & publications**

[Tax Reference Manual \(pdf\)](#)

**References**

Revised Code of Washington (RCW) 82.16

Washington Administrative Code (WAC) 458-20-179

WAC 458-20-180

WAC 458-20-129

0.038734 electric check  
 0.03852 gas 0.03852