



Social Housing Tax (SMC 5.37)

City of Seattle Stakeholder Webinar



Social Housing Tax Definitions That Are Consistent With the Payroll Expense Tax

- “Employee”
- any individual who performs work, labor, or personal services of any nature for compensation paid by a business.
 - includes members of limited liability companies
 - partners
 - sole proprietors
 - includes individuals who qualify as independent contractors for purposes of the business license tax.
- “Compensation”
- remuneration as defined by the Washington Family and Medical Leave Act.
 - includes net distributions, or incentive payments, including guaranteed payments, whether based on profit or otherwise, earned for services rendered or work performed.
 - Excludes compensation to owners of pass-through entities **not** earned for services rendered/work performed.
- “Remuneration”
- all compensation paid for personal services including commissions and bonuses and the cash value of all compensation paid in any medium other than cash.



Social Housing Tax Definitions That Are Consistent With the Payroll Expense Tax (continued)

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| “Payroll Expense” | <ul style="list-style-type: none">• the compensation paid in Seattle to employees under the “hours method” or “primarily assigned method.” |
| “Primarily assigned” | <ul style="list-style-type: none">• the business location of the taxpayer where the employee performs their duties. |
| “Taxpayer” | <ul style="list-style-type: none">• any person who engages in any business in Seattle or who performs any act for which a tax is imposed |

Compensation Paid In Seattle

Taxpayers calculate Seattle compensation using either

- hours method = employee hours worked in Seattle ÷ employee hours worked everywhere
- primarily assigned method =
 1. The employee is primarily assigned within Seattle;
 2. The employee is not primarily assigned to any place of business for the tax period and the employee performs 50 percent or more of their service for the tax period in Seattle; or
 3. The employee is not primarily assigned to any place of business for the tax period, the employee does not perform 50 percent or more of their service in any city, and the employee resides in Seattle.

How is the Social Housing Tax Reported and Paid?

Online: <https://www.filelocal-wa.gov/>

- Payment Options: MC, VS, and ACH debit.
- Electronic filing requires electronic payment.

OR

Manual: Downloadable form will be available

- Manual filing requires manual payment. A paper check will need to be submitted.

Payroll Processor Submissions:

- Business authorization required



FileLocal Registration - What is Needed?

- Seattle account number and/or State of Washington UBI number.
- Businesses can locate these identification numbers on our website:
<https://www.seattle.gov/city-finance/business-taxes-and-licenses/find-a-licensed-business>
- Example:
Legal Name: **2018 FILELOCAL TEST ACCOUNT**
Trade Name: **DBA FILELOCAL TEST ACCOUNT TEST**
Seattle Business License Tax Certificate Number: **826781**
UBI Number: **0008267810740905**
City Account Number: **0008267810740905**
Address: **700 5TH AVE SEATTLE, WA 98104-5058**
Phone: **(206) 684-8484**
NAICS: **541611, Administrative Management and General Management Consulting Services**
License types:
BUSINESS LICENSE Renewal Date: **12/31/2017**
COMMERCIAL PARKING Renewal Date: **12/31/2018**
- Each business must file their own separate return. Bulk filings are not available.



Thank you for attending!

