

Progressive Revenue Task Force
City Employee Hours Tax - Examples of Potential Revenues Raised

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I. EHT Base: Estimated Eligible Employment in Full-Time Equivalent (FTE) Positions

448,622

- 2015 estimate by the Puget Sound Regional Council
- Excludes public sector positions and those not covered by unemployment insurance
- Uses historic average of approx. 0.8 FTEs per employment position (Department of Labor & Industries)

II. Examples of Exemptions - Impact of Potential Exemptions Based on Gross Receipts

1.	% of 2009 EHT \$ paid by businesses with gross receipts of \$5 million+ per year	56%
2.	% of 2009 EHT \$ paid by businesses with gross receipts of \$8 million+ per year	49%
3.	% of 2009 EHT \$ paid by businesses with gross receipts of \$10 million+ per year	45%

- Based on the City's prior EHT, which included exemptions based on employee commute modes.
- This may introduce errors if commute mode (or application of exemptions) varied by business size.

III. Estimated Annual EHT Revenues by Rate

	Exemptions	\$50/FTE/Yr Tax Rate	\$100/FTE/Yr Tax Rate	\$150/FTE/Yr Tax Rate
1.	None	\$ 22,431,100	\$ 44,862,200	\$ 67,293,300

- All estimates assume 100% compliance

IV. Estimated Annual EHT Revenues by Rate and Gross Receipts Exemption Levels

	Exemptions	\$50/FTE/Yr Tax Rate	\$100/FTE/Yr Tax Rate	\$150/FTE/Yr Tax Rate
1.	Businesses with gross receipts <\$5M	\$ 12,471,692	\$ 24,943,383	\$ 37,415,075
2.	Businesses with gross receipts <\$8M	\$ 10,946,377	\$ 21,892,754	\$ 32,839,130
3.	Businesses with gross receipts <\$10M	\$ 10,138,857	\$ 20,277,714	\$ 30,416,572

- All estimates assume 100% compliance