



# City of Kirkland

## License Fee Supports Business Services

Businesses are an important part of the Kirkland community because they support economic vitality, quality of life, and a safe and clean city. Business license fees help pay for services that businesses need including those provided through the City's Economic Development Program.



### Why does the City collect a business tax from business owners?

The City needs a diversified revenue base to remain fiscally strong. Primary revenue sources for the City's General Fund include taxes (e.g. sales, property, utility) and fees (e.g. licenses, permits). Business license fees and taxes comprise a little more than 4% of General Fund revenue.

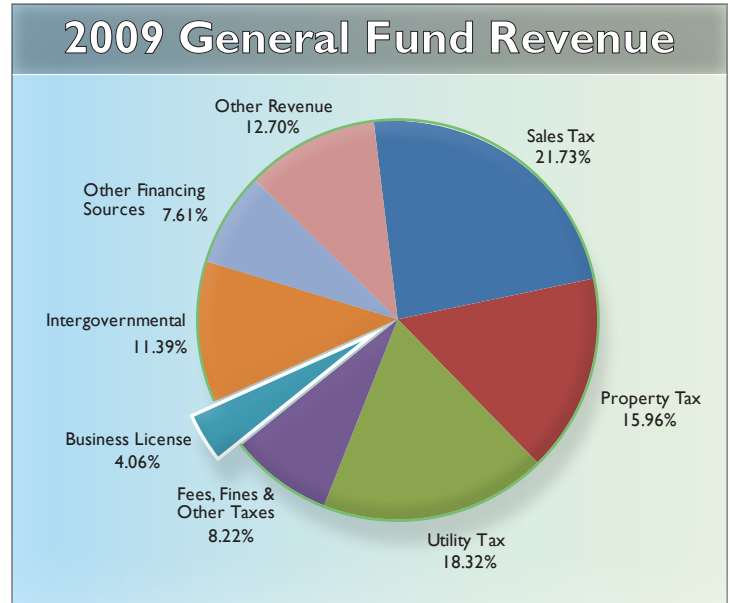
### What services are supported by City tax revenues?

Services that are supported by tax revenue include:

- **Public safety services** that provide quick fire and police response to emergencies for keeping Kirkland safe.
- **Transportation services** that include building and maintaining safe and efficient roads, sidewalks and bridges, and planning for efficient transportation systems.
- **Economic development programs** that provide...
  - Outreach and marketing to attract a variety of businesses and their employees to Kirkland;
  - Business assistance and retention program to help with expansion and marketing; and
  - A voice to businesses in City policy making.

(Note: The business license fee pays for the Economic Development Program in its entirety.)

- **Quality of life** amenities such as parks, trails, bikeways, arts, and other programs that make Kirkland a desirable place for business owners and their employees to live and work.
- **Community event management** assists with special events that attract visitors to Kirkland and help make Kirkland a tourist destination.



### How does Kirkland's business license fee compare to other cities?

The City's annual business license tax is a base rate plus a "per employee fee." The cities of Seattle and Bellevue impose a Business and Occupation (B&O) tax on gross receipts; Kirkland does not. The chart below compares Kirkland's business taxes with other nearby cities.

Business Size	Business Type	Full Time Employees (FTEs)	KIRKLAND Business License Tax	REDMOND Business License Tax	B & O TAX		B & O TAX BASE
					BELLEVUE	SEATTLE	Estimated Gross Receipts or Square feet
Small	Retail	4	\$ 500	\$ 360	\$ 419	\$ 692	\$ 280,000
Medium	Restaurant	18	\$ 1,900	\$ 1,620	\$ 1,646	\$ 2,455	\$ 1,100,000
Large	Corp.Headquarters	70	\$ 7,100	\$ 6,300	\$ 16,969	\$ 33,290	19,371 sq ft or \$8 million
Large	Retail	90	\$ 9,100	\$ 8,100	\$ 23,936	\$ 34,490	\$ 16,000,000

For more information about our Economic Development Programs, please visit [www.ci.kirkland.wa.us/business](http://www.ci.kirkland.wa.us/business) or call 425-587-3014.