



# 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.*



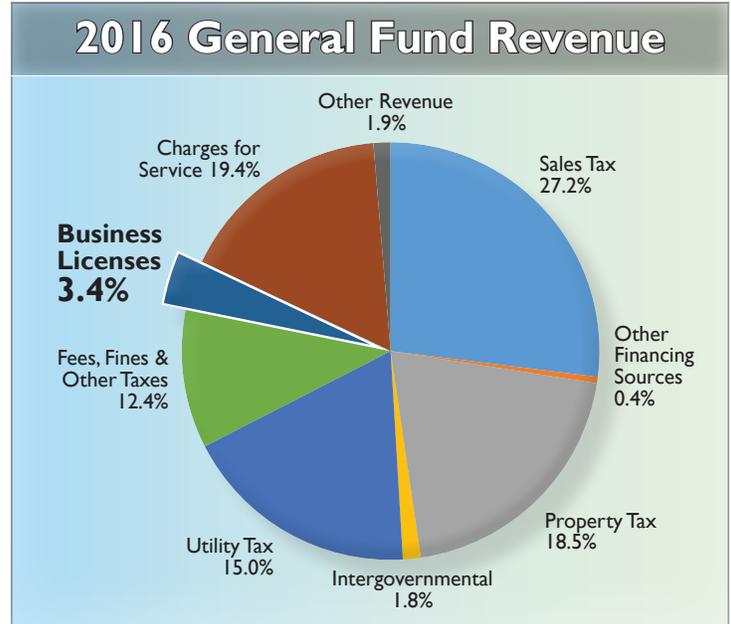
### Why does the City collect a business tax from business owners?

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 comprise a little less than 4% of General Fund revenue in 2016.

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

Services that are supported by tax revenue include:

- **Public safety services** that provide for proactive policing and 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.  
*(Note: A portion of the per employee fee is deposited into the Street Fund to support transportation services).*
- **CTR** - Commute Trip Reduction program to encourage reduction of single occupancy vehicle travel to work.
- **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.



### New Business Incentive

New Businesses in the City of Kirkland, with 10 or fewer employees, are exempt from the per employee fee (Revenue Generating Regulatory License – RGRL) for their first year of business. They are only required to pay the basic fee and register all employees.

### 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 Estimated Gross Receipts or Square feet
					BELLEVUE	SEATTLE	
Small	Retail	4	\$ 520	\$ 436	\$ 419	\$ 723	\$ 280,000
Medium	Restaurant	18	\$ 1,990	\$ 1,962	\$ 1,646	\$ 2,519	\$ 1,100,000
Large	Corp.Headquarters	70	\$ 7,450	\$ 7,630	\$ 18,913	\$ 33,950	19,371 sq ft or \$8 million
Large	Retail	90	\$ 9,550	\$ 9,810	\$ 23,936	\$ 35,150	\$ 16,000,000

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