

Local Employer Tax

RCW 81.100.030 and 81.104.150

Tax Base Full-time equivalent (FTE) employees of all employers, including private firms and governmental agencies, working within the city or county.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to RCW 81.100.030(1) and 81.104.150.

Tax Rate Up to \$2.00 per FTE per month.

Recent Collections (\$000) Collections information may be available from cities, counties, or through the Washington State Auditor’s Office, [Local Government Financial Reporting System](#).

Distribution of Receipts Proceeds must be used for local transportation-related purposes.

Levied by The following entities, upon approval by the voters:

<p>High Occupancy Vehicle Systems (RCW 81.100.030): King, Pierce, or Snohomish counties for high occupancy vehicle (HOV) systems (e.g., carpooling programs and HOV lanes) or a regional transportation investment district (RTID) for authorized capital and RTID purposes.</p>
<p>High Capacity Transportation (RCW 81.104.150): Cities, counties, metropolitan municipal corporations, public transportation benefit areas, high capacity transportation corridor areas, and regional transit authorities if such districts operate high capacity transportation systems (e.g., commuter rail systems). Such jurisdictions may not levy the tax if the county also levies a local employee tax for HOV systems.</p>

Administration The levying jurisdiction may contract with the Department of Revenue or "other appropriate entities" for collection of the tax from employers.

History 2017 The local street utility tax option in RCW 82.80.050 was repealed.
2009 A new type of taxing jurisdiction, a high capacity transportation corridor

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area, was added to the jurisdictions authorized to impose the tax under RCW 81.104.150. These areas are restricted to Clark and Spokane Counties.

1990 Authorizing legislation for the local taxes on employees was adopted.
