Multi-Department Revenue Summary

Seattle Shield

In November 2025, Seattle voters approved the Seattle Shield Initiative, which rebalanced the City's Business & Occupation (B&O) tax to support small businesses and provide financial support for key services. In this 2027-2028 Proposed Budget, this funding source is used to:

- Preserve investments in the programs and activities that receive General Fund or JumpStart funds described in Section 7.B.2 of Ordinance 127259 (food access; gender-based violence; small business supports, emergency shelter, homelessness prevention; workers' rights and protections; public health; workforce development and job readiness training; arts and culture; and immigrant and refugee services). In addition, these funds are used in the proposed budget to pay for the ongoing administration of the tax and to preserve the ongoing investments included in the 2026 Budget to mitigate against federal funding reductions, including:
    - $10.2 million to address increased food insecurity
        - Makes ongoing:
            - $6.3 million of one-time funding added in the 2026 budget for the Fresh Bucks program expansion ongoing;
            - $3 million for food banks, ongoing;
            - $1 million for meal delivery, ongoing;
        - Adds $1.8 million GF one-time in 2028 to mitigate full elimination of the food equity fund that is reduced due to declining Sweetened Beverage Tax revenues.
    - Preserves $4 million of funding to the Human Services Department for homelessness prevention (e.g., rental assistance) funding added in the 2026 budget;
    - Preserves $7.8 million of ongoing funding for emergency shelter and services added in the 2026 budget and increases investments in this area to support Mayor Wilson's plan for expanded shelter and resources.

JumpStart Payroll Expense Tax

The 2027 Proposed Budget includes $454 million in appropriation backed by $402 million in forecasted JumpStart Payroll Expense Tax revenues and an additional $43 million in one-time fund balance and $8 million of interest earnings on payroll tax funds.

Of the $454 million in JumpStart funds in the proposed budget, $173 million (38%) is transferred to support general government operations in the General Fund in 2027. The proposed budget also allocates $65 million from the JumpStart Payroll Expense Tax Fund to support homelessness programs that were budgeted in the General Fund in prior years.

The proposed budget transfers an additional $10 million to the General Fund to support administrative costs assumed to be incurred in the General Fund resulting from administering JumpStart Payroll Expense Tax collections, program administration, fund and financial management, policy planning, evaluation, and human resources. This transfer for administrative costs represents 2% of total payroll tax appropriations.

The proposed budget allocates $142 million in JumpStart Payroll Expense Tax to support investments in affordable housing and related services. This is 31% of total JumpStart Payroll Expense Tax appropriations (35% of the annual JumpStart tax revenues). This funding supports the Office of Housing's work to develop, acquire, preserve, and operate affordable housing and foster affordable homeownership opportunities, and to support the ongoing operations and maintenance needs of affordable housing providers. This funding also supports allocations in Human Services Department (for rental assistance), in the Office for Civil Rights (for recently passed Do Not Solicit legislation) and in the Seattle Department of Construction and Inspections (for tenant legal protections).

The proposed budget allocates $25 million in JumpStart Payroll Expense Tax to support investments in economic development across eight City departments. This represents 5.5% of overall payroll tax appropriations. The Office of Economic Development receives most of this funding with $18 million allocated to support a range of programs in support of the Future of Seattle Economy framework and Mayor Katie Wilson's Executive Order 2026-06, *Building a Resilient Seattle Economy*. The remaining $6 million of JumpStart Payroll Expense Tax allocations for economic development are proposed in smaller amounts for the Community Assisted Response & Engagement (CARE) Department, the Human Services Department, the Office of Immigrant and Refugee Affairs, the Office of Planning and Community Development, Seattle Center, Information Technology, and Seattle Parks and Recreation.

The proposed budget allocates $22 million in JumpStart Payroll Expense Tax to support the Equitable Development Initiative and associated department costs in the Office of Planning and Community Development. This represents 5% of overall Payroll Expense Tax. The Equitable Development Initiative invests in neighborhoods most impacted by displacement and low access to economic opportunities and aims to expand opportunity, prevent displacement, and build on local cultural assets.

The proposed budget allocates $17 million in JumpStart Payroll Expense Tax to support the Seattle Green New Deal, which aims to make Seattle carbon neutral by 2050. This represents 4% of overall payroll tax appropriations. The Office of Sustainability and Environment receives most of this funding at $13 million, where the payroll tax supports the Building Emissions and Performance Standards program, rebates for home oil heating conversions, clean energy apprenticeships, and the Duwamish Valley Program. The Office of Planning and Community Development receives $200,000 to support work related to Sound Transit 3, the Office of Housing receives $2 million for residential heat pumps, and Finance and Administrative Services receives $1 million to support electric vehicle charging infrastructure.

The proposed budget also increases the unappropriated revenue stabilization reserve in 2027 by $11 million to a total of $20 million. The establishment of the JumpStart Payroll Expense Tax Fund revenue stabilization reserve is a four-year process that was initiated in the 2025 budget process and codified in SMC 5.38.105. This process requires the establishment of a revenue stabilization reserve equal to 10% of forecast revenues by 2029. The $20 million in the proposed budget brings the total reserve to $20 million and 5% of forecasted revenues in 2027. The financial plan continues to build the reserve in 2028, increase the reserve to $31 million in 2028 and reaches the 10% target of $44 million in 2029.

Sweetened Beverage Tax

Forecasted Sweetened Beverage Tax (SBT) revenues for 2027 and 2028, $20.3 million and $19.3 million respectively, are lower than 2026 Adopted Budget. In order to balance and preserve SBT funding for Fresh Bucks, food banks, and meal services, reductions are proposed for the Food Equity Fund in the Department of Neighborhoods. In 2027, the Food Equity Fund will be funded at $1.8 million in SBT and in 2028 funded with $1.8 million from the General Fund.

Short-Term Rental Tax

The Short –Term Rental Tax (STRT) revenue projection for 2027 and 2028 is $11.8 million and $12 million respectively. Ordinance 127359 and state law restrict the use of STRT for equitable development and affordable housing. In 2027, the proposed budget allocates $6.8 million to the Office of Planning and Community Development (OPCD) for Equitable Development Initiative (EDI) grants to outside organizations, program implementation, and EDI staffing costs; $4 million to the Human Services Department (HSD) for permanent supportive housing, and $2 million to debt service for low-income housing. In 2028, the proposed budget maintains funding levels for EDI and debt service and allocates an additional $150,000 to HSD for contract inflation as mandated by the Seattle Municipal Code. OPCD’s budget summary includes more information on EDI investments and HSD’s budget section includes information on the department’s investments.

Transportation Network Company (TNC) Tax

The 2027-2028 Proposed Budget projects $5.8 million in 2027 and $6.2 million in 2028 for Transportation Network Company (TNC) Tax. Companion legislation submitted with the 2027-2028 Proposed Budget includes modifications to supersede the funding resolution for the TNC Tax. The Department of Finance and Administrative Services (FAS) is responsible for the accounting, collection, and enforcement of the tax and is appropriated $350,000 in 2027 and 2028 for this work.

Admissions Tax

The Admissions Tax is projected to generate $25.6 million in 2027 and $26.3 million in 2028 to support City arts and culture programs. Admissions Tax revenue supports grants for arts and cultural organization, cultural facilities, grants for individual artists and musicians as well as other investments to support the arts education and the arts community in the City. The proposed budget continues Admissions Tax support via the Arts and Culture Fund to fund arts and culture-related programming in City departments.