



Seattle Center

The State currently imposes a 7% hotel/motel tax in Seattle. The revenue from this tax is used to support operations and maintenance of the Washington State Convention and Trade Center (WSCTC) and to pay debt service on the bonds issued to build and expand the facility. This 7% tax is in addition to the usual sales taxes imposed by the State and local governments. The total tax rate imposed on hotels and motels with 60 or more units within Seattle is therefore 15.6%.¹ Hotels and motels in other parts of King County are subject to a 2.8% tax for the WSCTC.

Under current law, the City of Seattle is precluded from imposing its own hotel/motel tax. Many other cities in King County impose a 1% hotel/motel tax, and cities in other counties are authorized to impose such taxes at rates of 2% or more.

The City is asking the Legislature to authorize use of a portion of the current 7% hotel/motel tax in Seattle to be directed for \$75 million of improvements at Seattle Center to assist in funding the Century 21 capital plan as well as improvements to Key Arena, should an NBA team be placed in Seattle. The remaining tax would continue to be devoted to the WSCTC, including possible expansion of the convention center.

This proposal differs from previous proposals in that the revenue source is levied only on Seattle hotels and motels and is paid primarily by tourists and has no impact on the state General Fund. The Seattle Center is the most popular venue in the state of Washington, attracting more than 12 million visitors annually, creating a clear nexus with the use of tourist taxes to support capital improvements.

¹ This total rate is set by State law and thus not all locally imposed transit taxes can be collected on hotels and motels.