

**RCW 35.95.040 Levy and collection of excise taxes authorized—  
Business and occupation tax—Excise tax on residents—Appropriation and  
use of proceeds—Voter approval.** The corporate authorities of a  
municipality are authorized to adopt ordinances for the levy and  
collection of excise taxes and/or for the imposition of an additional  
tax for the act or privilege of engaging in business activities. Such  
business and occupation tax shall be imposed in such amounts as fixed  
and determined by the corporate authorities of the municipality and  
shall be measured by the application of rates against value of  
products, gross proceeds of sales, or gross income of the business, as  
the case may be. The terms "business", "engaging in business", "gross  
proceeds of sales", and "gross income of the business" shall for the  
purpose of this chapter have the same meanings as defined and set  
forth in chapter 82.04 RCW or as said chapter may hereafter be  
amended.

The excise taxes other than the business and occupation tax above  
provided for shall be levied and collected from all persons within the  
municipality in such amounts as shall be fixed and determined by the  
corporate authorities of the municipality: PROVIDED, That such excise  
tax shall not exceed one dollar per month for each housing unit. For  
the purposes of this section, the term "housing unit" shall mean a  
building or portion thereof designed for or used as the residence or  
living quarters of one or more persons living together, or of one  
family.

All taxes herein authorized shall be taxes other than a retail  
sales tax defined in chapter 82.08 RCW and a use tax defined in  
chapter 82.12 RCW, and the municipality shall appropriate and use the  
proceeds derived from all taxes authorized herein only for the  
operation, maintenance and capital needs of its municipally owned or  
leased and municipally operated public transportation system.

Before any county transportation authority established pursuant  
to chapter 36.57 RCW or any public transportation benefit area  
authority established pursuant to chapter 36.57A RCW may impose any of  
the excise taxes authorized pursuant to this section, the  
authorization for imposition of such taxes shall be approved by the  
voters residing within such respective area.

The county on behalf of an unincorporated transportation benefit  
area established pursuant to RCW 36.57.100 and 36.57.110 may impose  
any of the excise taxes authorized pursuant to this section only  
within the boundaries of such unincorporated transportation benefit  
area. [1975 1st ex.s. c 270 § 4; 1965 ex.s. c 111 § 4.]

**Severability—Effective date—1975 1st ex.s. c 270:** See notes  
following RCW 35.58.272.

*Municipal taxation of motor carriers of freight for hire: RCW  
35.21.840.*