

COMPARISON OF DEVIATIONS FROM AWC MODEL ORDINANCE – CITY OF VANCOUVER, WA

Per RCW 35.102.040(4), the City is required to publish any deviations from AWC’s Model Ordinance.

This matrix supplies those deviations

AWC Model Ord.	Ch. 5.03 VMC	SUBJECT MATTER	SUMMARY OF CHANGES FROM MODEL B&O TAX GUIDELINES
.030	.030	Definitions	The following definitions contained in the AWC model ordinance guidelines but omitted from the AWC core model ordinance are included in chapter 5.03 VMC: (1) Advancement, Reimbursement, (2) Consumer, (3) In this City, within the City, (4) Product, byproduct
.050(2)	.050(B)	Imposition of Tax – Exemption Threshold	Section .050 of the Model Ordinance sets a \$20,000 annual and \$5,000 quarterly gross receipts threshold under which businesses are not subject to the B&O tax. Vancouver’s ordinance increases this threshold to \$50,000 annual/\$12,500 quarterly.
.075	N/A	Taxation of manufacturing activities	Section .075 of the Model Ordinance—“Deductions to prevent multiple taxation of manufacturing activities and prior to January 1, 2008, transactions involving more than one city with an eligible gross receipts tax”—was omitted because Vancouver did not impose a B&O tax on any gross receipts prior to January 1, 2008. Additionally, the current code does not impose any B&O tax on manufacturing. As such, even though .075 of the model ordinance is mandatory section, it has no application to Vancouver’s imposition of a B&O tax
.076	.076	Assignment of gross income derived from intangibles	The parenthetical “its headquarters is located” from the model ordinance was omitted due to the view that it constitutes superfluous language, as the law defines “domicile” for purposes of corporations as the location of the corporation’s headquarters
.077	.077	Allocation and apportionment of income when activities take place in more than one jurisdiction	The substantive text of VMC 5.03.077 is the same, but the reference in the model ordinance stating, “Effective January 1, 2008” is omitted as Vancouver did not impose a B&O tax prior to January 1, 2008. Thus, the quoted language is deemed superfluous. Similarly, the language from the model ordinance in .077(6) stating “Effective January 1, 2020” does not appear in the corollary VMC 5.03.077(F) given that Vancouver did not impose a B&O tax prior to January 1, 2020.
.078	.078	Allocation and apportionment of printing and publishing income when activities take place in more than one jurisdiction	The effective dates from the model ordinance are updated to match Vancouver’s adoption of a B&O tax.
.100(5)	.100(E)	Deductions	The reference in the model ordinance stating, “Effective January 1, 2008” is omitted as Vancouver did not impose a B&O tax prior to January 1, 2008. Thus, the quoted language is deemed superfluous