

## Seattle Public Utilities Customer Review Panel

August 4, 2023

The Honorable Bruce Harrell  
Mayor, City of Seattle  
600 Fourth Avenue  
Seattle, WA 98124

The Honorable Debora Juarez  
President, Seattle City Council  
600 Fourth Avenue  
Seattle, WA 98124

Dear Mayor Harrell and City Councilmembers,

As members of the Seattle Public Utilities Customer Review Panel, we strongly support the proposed legislation to eliminate the 15.5% utility tax on the sale of water currently imposed on our city residents and businesses.

Potable water is essential to the health and well-being of everyone and is a basic necessity; it should not be taxed. This philosophy is consistent with the longstanding practice of not imposing a sales tax for food items purchased in grocery stores.

We are aware that the utility tax revenue is used to fund general city government services, thus an adequate source of replacement revenue is needed. A majority of the Panel (9 of the 11 members) is, therefore, supportive of enacting a local capital gains tax on investments in the same fashion as the recently enacted state legislation is utilized in lieu of the utility tax on drinking water.

Utility taxes are a regressive form of taxation and disproportionately affect lower income households as they pay a greater share of their income for essential utility services. This creates an affordability challenge for these customers, including many seniors on fixed incomes who do not qualify for the utility discount program for water, sewer and solid waste services. It also increases the cost of doing business for the many small commercial businesses that are integral to the quality of life in our local neighborhoods.

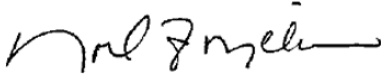
Finally, we call to your attention to the 12.0% utility tax on sewer services and a 11.9% tax for solid waste services. Please consider a reduction or possibly an elimination of these regressive taxes as well if a surplus of capital gains tax revenue is realized. We recommend use of any excess revenues beyond covering the utility taxes go toward support for SPU programs and other critically needed services such as equitable water access.

Comments or questions regarding our position on this legislation are always welcome.

Respectfully yours,

**Members of the Seattle Public Utilities Customer Review Panel**

*Please note that we are signing this letter in our personal capacities as Panel Members, and not as representatives of any other agency, organization, or employer. A majority of CRP members have signed this letter, but it does not represent the views of all CRP members.*

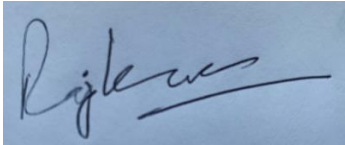


**Noel Miller, Chair**  
Retired Public Works Director

**Amanda Richer, Vice Chair**  
Community Liaison  
Department of Neighborhoods  
City of Seattle

*Ebony Rose Frazier*

**Ebony Rose Frazier**  
Seattle Resident



**Raj Kumar**  
Retired Director  
Nestle USA



**Maria McDaniel**  
Senior Business Analyst,  
Information Technology,  
City of Seattle



**Robin Schwartz**  
Community Member



**Tiffany Sevilla**  
Workforce Development Program  
Manager, Port of Seattle



**Miki Sodos**  
Business Owner  
Othello, Belltown



**Gretchen Glaub**  
Salmon Recovery Coordinator,  
Snohomish County

CC: The Honorable Lisa Herbold  
The Honorable Tammy J. Morales  
The Honorable Kshama Sawant  
The Honorable Alex Pedersen  
The Honorable Dan Strauss  
The Honorable Andrew J. Lewis  
The Honorable Teresa Mosqueda  
The Honorable Sara Nelson  
Andrew Lee, General Manager, SPU  
Brian Goodnight, Legislative Analyst, City Council Staff  
Akshay Iyengar, Fiscal Policy Analyst, City Budget Office