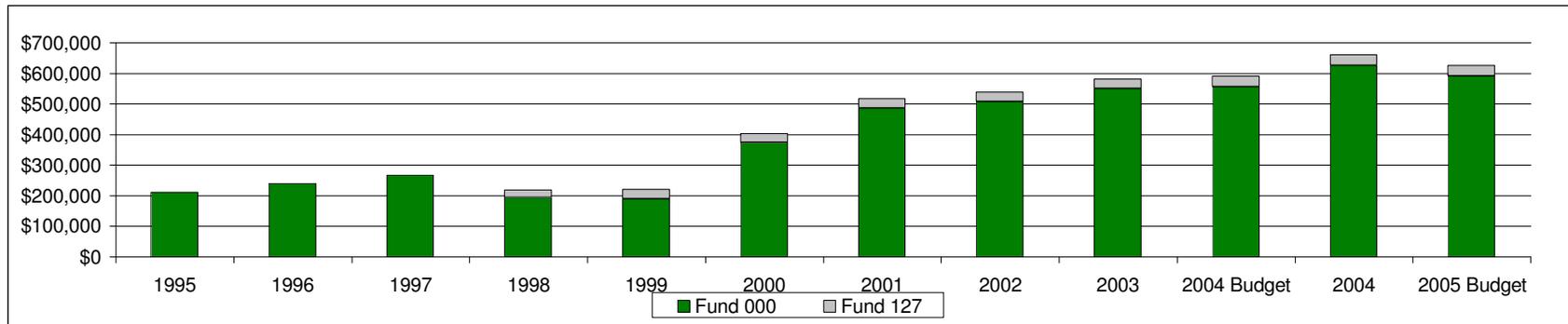


Cable TV Utility Tax

Perspectives

There is a 6% tax placed on all cable sales. This tax is also placed on private satellite systems for either homes or apartments. This tax is separated between the General Fund and the Cable Fund. The Cable fund is used to pay the expenses of managing the cable franchise and for the purpose of preparing and broadcasting public service programs, including Council meetings, Senior and Carco theater plays, and Renton informational programs.

Fund	2001	2002	2003	2004 Budget	2004	2005 Budget
Fund 000	\$487,115	\$508,540	\$551,468	\$557,000	\$626,565	\$591,000
Fund 127	\$30,000	\$30,000	\$30,000	\$35,000	\$35,000	\$35,000
Total	\$517,115	\$538,540	\$581,468	\$592,000	\$661,565	\$626,000



Forecast Assumptions

- 2003 Increased housing growth affected actual utility tax collected in 2003.
- 2004 12% growth rate based on continued housing growth.
- 2005 5% growth from 2004 budget.

Authority and Rates

- Tax/Revenue Base: Gross income derived from operation of public and privately owned utilities, including the general categories of transportation, communications, and the supply of energy and water. Income from utility operations is taxed under the public utility tax and is in lieu of the B & O tax; other income of the utility firm (e.g., retail sales of tangible personal property) is subject to B & O tax.
- RMC: Cable utility taxes are collected in accordance with Section 5-11-1(E) of the Renton Municipal Code. Cable utility tax rates are 6% of the total gross income and became effective January 1, 1991.
- RCW: Cable television taxes are collected in accordance with RCW 82.16. RCW 35.22.280 (2) authorizes the City of Renton to levy and collect taxes.

Background Information

Our only cable provider is Comcast (formerly ATT). They also pay a franchise fee that is dedicated to the general fund. We do not see a decline in this revenue source due to increased number of homes in the City.