



# WA ALLIANCE FOR INNOVATION AND INDEPENDENT WORK

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**Seattle Consumers Penalized by New City Council Delivery Fee**

*Coalition challenges backdoor tax on app-based deliveries to fund special projects, despite millions in new city revenue*

**SEATTLE (Nov. 13, 2023)** – Representatives of retail, grocery, hospitality and business groups are calling on the Seattle City Council to use existing revenues and to prioritize spending before enacting any new taxes or fees.

The comments, featured in an [open letter](#) that appeared in The Seattle Times, challenge the city's latest revenue proposal, a fee on delivery services. While the council has introduced the fee under the guise of offsetting costs associated with the city's new earning standard and deactivation regulations, it is actually a backdoor tax that inflates the implementation costs and provides significant revenue for education and outreach.

"Given the rate of inflation, the cost of living, and after an onslaught of new taxes and fees, Seattle residents and businesses are feeling the cumulative effect of these increased costs. Research shows that affordability remains a top concern in our community, with nearly two-thirds of voters continuing to feel concerned about their personal financial situation given the current economic climate," the letter states.

"We urge the City Council to work with the mayor's office to make the same decisions many Seattleites do each month: prioritize spending, cut what's unsustainable and stop spending money you don't have."

The open letter was submitted by the Washington Alliance for Innovation and Independent Work – a coalition of consumers, independent workers, small businesses, app-based services, and community leaders from across Washington state. Alliance partners say the city's proposed delivery fee unfairly penalizes customers at a time when the city's own revenue forecast shows an increase of millions of dollars. The letter notes:

"A review of the city's own Revenue Stabilization Work Group findings indicate the city has a spending problem. From 2017 to 2023, general fund revenues increased 3.7% a year. At the same time, city spending grew at an even higher rate of 5.5% – and is projected to run a deficit of \$221 million in 2025, and \$207 million in 2026."

If adopted, the tax would be the ninth new regulation the city has passed on app-based delivery services since 2020.

Increased costs on food deliveries in the city will affect small businesses and retailers who rely on delivery apps to reach their customers, resulting in lost orders and fewer deliveries.

“Adding a tax on delivery services is the wrong way to solve the city’s budget challenges, especially given the growth in Hispanic-owned businesses, many of whom rely on deliveries to grow and sustain their customer base,” said **Marcos Wanless, founder and CEO of the Seattle Latino Metropolitan Chamber of Commerce**. “This additional cost will raise the price of delivery in our city when we need to be doing the opposite.”

Survey data from EMC Research indicates that Seattle voters do not feel the council is using existing resources to address priority concerns. As cited in the letter, 6 of 10 voters think Seattle’s taxes are too high for the level of services they receive: “There is no clear plan to reduce homelessness, curb open drug use or increase the number of first responders – priorities shared by voters and businesses alike. A full review of the city’s programs is warranted before adding any new taxes or fees.”

“Businesses in Seattle continue to struggle against the cost of inflation,” said Tammie Hetrick, president and CEO of the **Washington Food Industry Association**. “The cost of food, fuel and labor has all increased. Our neighborhood stores and independent grocers are doing everything they can to keep customers coming back. Delivery is an important way for them to remain competitive, and now we’re looking at adding another cost that will ultimately impact orders,” she added. “It’s time for the council to reexamine its priorities. We don’t need more taxes and fees - we need priorities and an action plan to tackle the city’s greatest needs”

The council is expected to hear the bill Nov. 13 and take a final vote on Nov. 21.

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**About the [WA Alliance for Innovation and Independent Work](#)**

*WA Alliance for Innovation and Independent Work is a coalition of consumers, independent workers, small businesses, app-based services, and community leaders from across the state that seeks to strengthen and support advancements in the new workplace. Today, flexible jobs, benefits, and innovative services are essential to enhancing Washington’s emerging economic opportunities and empowering the small businesses and workers who are leading and innovating.*