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## Featured Inquiry (06/28/10)

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### Question:

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Is there a statutory limit on the amount of the utility tax that a city can impose on its own water or sewer utility?

### Answer:

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There is no statutory limit on utility tax rates that a city can impose on its own water and sewer utility, which is why you will see some of these tax rates at over 20 percent. The limit in [RCW 35.21.870](#) of six percent on electricity, telephone, natural gas, or steam energy businesses does not apply to water and sewer utilities. So, the political arena imposes the only limitation on this utility tax.