CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE BB TO INCREASE BUSINESS LICENSE TAX

The City of Daly City City Council has placed Measure BB on the ballot to approve an ordinance increasing the existing business license tax on all businesses within Daly City. All revenues resulting from the increase in the business license tax would be unrestricted revenues allocated to the City’s general fund and thus can be used for any legitimate general governmental purpose. No portion of the revenues generated by this tax would go to the State of California.

The proposed ordinance would increase the business license tax rate as follows:

- for businesses with annual gross receipts up to $100,000 from $100 to $110;
- for businesses with annual gross receipts greater than $100,000 from $100 plus one-tenth of one percent (0.001) of gross receipts to $110 plus eleven-one hundredths of one percent (0.0011) of gross receipts greater than $100,000; and
- for persons engaged in rental or leasing of buildings for dwelling, lodging or sleeping purposes, other than transient lodging, from one-half of one percent (0.005) of gross receipts, but not less than $100, to fifty-five-one hundredths of one percent (0.0055) of gross receipts, but not less than $110.

By way of example, a business with gross receipts of $1 million per year currently pays a business license tax of $1,000 per year; if Measure BB passes, that same business would pay a business license tax of $1,100 per year. Likewise, an apartment building owner with gross receipts of $1 million per year currently pays a business license tax of $5,000 per year; if Measure BB passes, that same apartment building owner would pay a business license tax of $5,500 per year.

Because the use of tax revenue generated by the increase in the business license tax can be used for unrestricted general governmental purposes, it is classified as a “general tax.”

A “Yes” vote is a vote in favor of the tax.

A “No” vote is a vote against the tax.

This ordinance will be approved if a majority of those voting on Measure BB vote “Yes”.

The above statement is an impartial analysis of Measure BB. If you desire a copy of the ordinance, please call the City Clerk’s office at 650-991-2792 and a copy will be mailed at no cost to you.

DATED: August 27, 2018

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City of Daly City