



AGENDA REPORT

TO: G. Harold Duffey
Interim City Administrator

FROM: Erin Roseman
Director, Finance
Department

SUBJECT: SUPPLEMENTAL – Business License
Tax Implementation Plan Update

DATE: February 9, 2023

City Administrator Approval

Date: Feb 9, 2023

RECOMMENDATION

Staff Recommends The City Council Receive An Informational Report From The City Administrator/Finance Department On The Implementation Of The New Progressive Business Tax.

REASON FOR THE SUPPLEMENTAL

The focus of this supplemental report is to respond to questions and concerns raised at the January 23, 2023 Finance & Management Committee meeting. The specific issues below, raised by the members of the Finance & Management Committee are answered as follows:

The removal of the Small Business Exemption should be provided in context.

The intent of Measure T was to provide a progressive tax which would charge the higher grossing businesses with a higher tax. In addition, Measure T would also provide a reduction in business taxes for roughly 23% of business taxpayers. In particular, there were 5 categories that would see a reduction as a result of their gross receipts being less than \$1 million annually and 2 additional categories, that would see a reduction in taxes as a result of their gross receipts being less than \$2.5 million dollars. Future messaging will highlight the benefits outlined above of Measure T.

As of the prior meeting 2,200 business taxpayers had renewed – how does this compare to prior year?

In prior years, the renewal declaration forms were mailed out in October. However, following the passage of Measure T in November 2022, with the final certification occurring in late December 2022, renewal declaration forms were not mailed out until mid to early February 2023. Therefore, the number of renewals received as of January 2023 would not be comparable.

Provide an update on our plan in place to provide community outreach:

We are currently scheduled to participate in the 2023 Economic Summit hosted by the Oakland Metropolitan Chamber of Commerce on March 2, 2023.

There has been outreach to the Oakland Indie Alliance and Finance Department staff is still awaiting a response. Staff will continue to reach out to this organization, and if there is a specific contact person to engage in discussions with, the department would welcome the opportunity to work with them.

Finance Department (“the Department”) staff met with the Interim Director and staff from the Economic Workforce & Development Department (EWDD) to strategically align the Department’s outreach with EWDD’s programs. There are opportunities for the Department to share its content in EWDD’s newsletters and upcoming events. Additionally, there will be an opportunity for the Department to participate in Small Business Week, from April 30th to May 6th. Department staff are currently awaiting information on how to have a presence at the event.

The City’s social media platform is always a way for the Department to provide robust outreach about the new business license tax and on-going taxpayer education. Department staff have already reached out to the City’s Public Information Officer (PIO) and they are engaged in talks to put out a press release.

All of the above activities are on-going, and staff will continue to look for additional opportunities to provide community outreach through other chambers.

Staffing Update – how many have been hired?

As of this report date the Department has completed the onboarding of all 6 staff persons, and they are all currently working in the Business Tax Unit.

Provide Small Business Cut-Off Amounts:

See **Attachment A** – Progressive Tax Rate Schedule or access it via the following link:

[Business tax classification & rate schedule \(cao-94612.s3.amazonaws.com\)](https://cao-94612.s3.amazonaws.com)

Who should business taxpayers call with questions?

The Business Tax Unit can be reached at (510) 238-3704, by live chat at <https://ltss.oaklandnet.com/> or by email at BTWebsupport@Oaklandca.gov.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends The City Council Receive An Informational Report From The City Administrator/Finance Department On The Implementation Of The New Progressive Business Tax.

For questions regarding this report, please contact Sherry Jackson, Revenue and Tax Administrator, at (510) 238-7480.

Respectfully submitted,



Erin Roseman
Director of Finance
Finance Department

Prepared by:
Sherry M. Jackson
Revenue & Tax Administrator
Finance Department

Attachments (1):

A. City of Oakland Business Tax Classification & Rate Schedule