



CITY OF OAKLAND

AGENDA REPORT

DATE: March 17, 2022
TO: City Council and Members of the Public
FROM: Council President Nikki Fortunato Bas
Councilmember Carroll Fife
SUBJECT: **Progressive and Equitable Business Tax**

RECOMMENDATION

We respectfully request that the City Council, in order to raise revenue for the City's general purpose fund and create more equity and fairness in the City's business tax structure, consider:

Adopting A Resolution: 1. Amending Resolution No. 88227 C.M.S., Which, Among Other Things, Submitted To The Voters At The November 8, 2022 General Municipal Election, An Ordinance Repealing And Replacing Chapter 5.04 Of The Oakland Municipal Code, To Modify Said Ordinance To Incorporate Recommendations From The Blue Ribbon Equitable Business Tax Task Force; And 2. Directing The City Clerk To Take All Actions Necessary To Prepare For And Conduct A November 8, 2022 General Municipal Election.

The March 31, 2022 Rules and Legislation Committee Meeting will be an important opportunity to share the business license tax proposal, hear questions and feedback, and have a discussion. *Note that we will not vote on the proposed legislation at this meeting, and we will focus on discussion and feedback.*

EXECUTIVE SUMMARY

The City of Oakland has an outdated, regressive, and complicated business tax system that disproportionately burdens small businesses with gross receipts taxes. Gross receipts taxes are taxes paid on a business's gross revenue, or gross receipts. The City of Oakland Budget Advisory Commission formally recommended that the Council look into new revenue streams in their Budget Advisory Memos in 2019, 2020 and 2021 as well as in previous budget cycles. On July 14, 2020, the City Council unanimously adopted [Resolution No. 88227 C.M.S.](#) to place an equitable business tax ballot measure on the November 8, 2022 ballot and to create an Equitable Business Tax Task Force to study the issues and make recommendations to Council. On January 18, 2022, the City Council received an [informational report from the Equitable Business Tax Task Force with recommended business tax rates \(Attachment B\)](#). **This proposed legislation updates the July 14, 2020 resolution, which was unanimously adopted, and incorporates the Blue Ribbon Equitable Business Tax Task Force recommendations on tax rates.**

This proposal uses the Task Force recommendations as a foundation to provide structural reform that would add resources to the General Purpose Fund while also supporting struggling small businesses. Updating our local business taxes to an equitable and tiered gross receipts tax structure, where smaller businesses pay less taxes, while larger businesses pay more, is an important avenue for revenue in a system that is antiquated and was last substantively updated in 2005.

In addition to generating tens of millions of dollars in additional revenue annually towards vital City services, the proposed structure is, at its core, *an equity reform*. It would provide small businesses, which make up the vast majority in Oakland, with needed relief from gross receipts taxes, especially as they are weathering the harsh challenges of this pandemic and its economic impacts. It would invite larger corporations to make deeper investments in Oakland through gross receipts taxes, in order to help rebuild and strengthen our city. It would modernize the gross receipts tax structure and close loopholes.

BACKGROUND / LEGISLATIVE HISTORY

A. The Current System

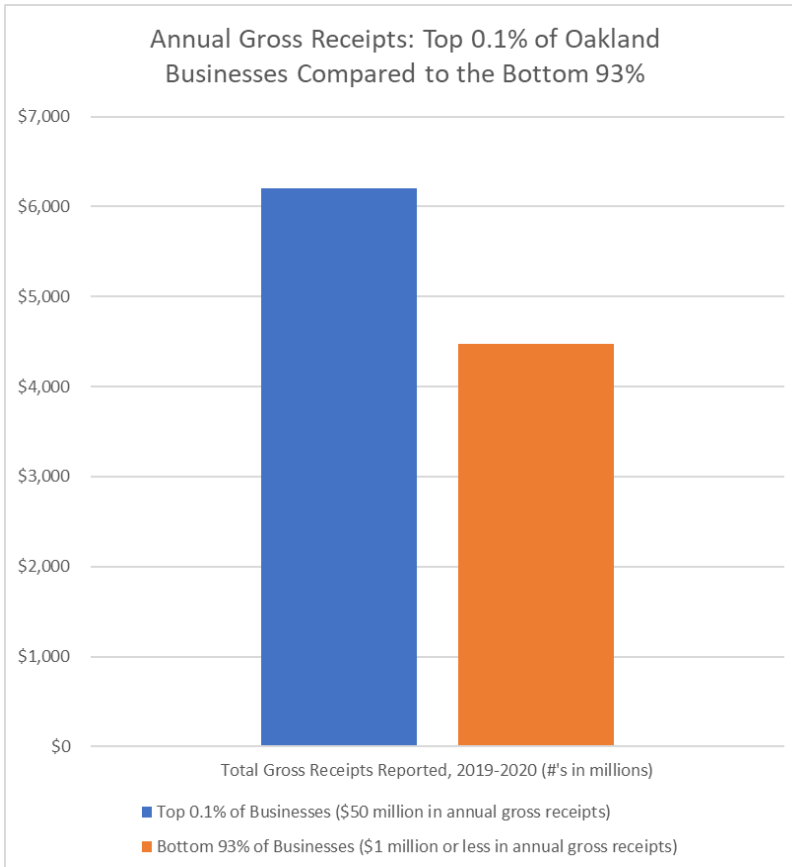
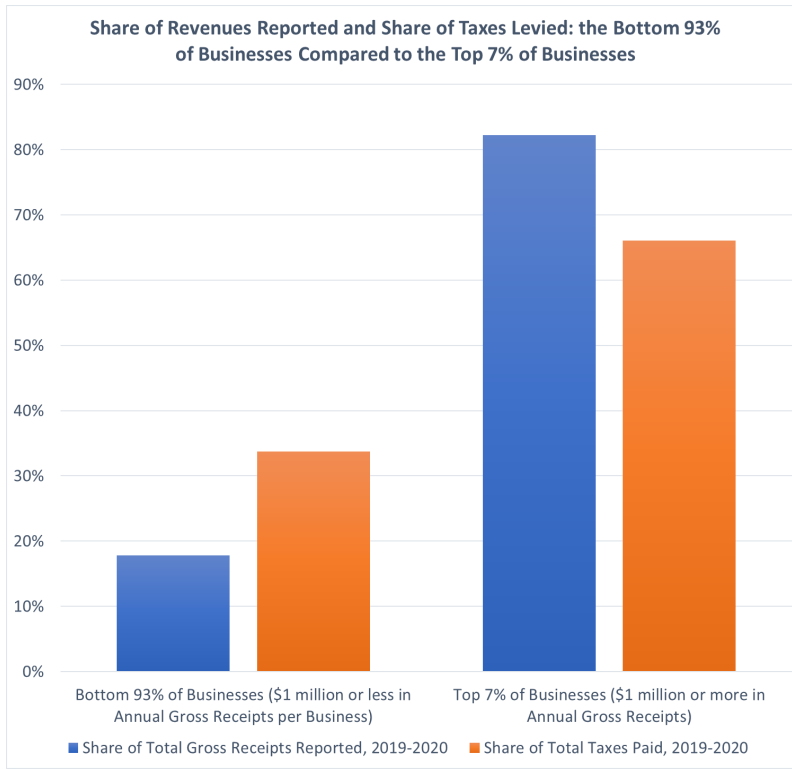
The City of Oakland's current business tax system was last substantially updated in 2005, over 15 years ago. In its current form, the City's gross receipts tax structure is flat, meaning that a business with \$10 million in revenue is taxed at the same rate as a business with \$100,000 in revenue.¹ This does not reflect the City of Oakland's values of helping small, local businesses to thrive. Small businesses with \$1 million or less in gross receipts comprise 84% of total businesses paying the license tax and pay 34% of tax revenue.² The overwhelming majority of businesses in Oakland are very small with 93% of businesses earning less than \$1 million in gross receipts annually. While these 49,000 small businesses make up the vast majority of businesses in Oakland, in fiscal year 2019-2020, they accounted for only 18% of taxable gross receipts and payroll reported to the City.³ While they account for a relatively small share of total revenues earned by businesses in Oakland, they paid almost double their share, or 34% of business taxes. By contrast, the top 7% of the highest earning businesses account for 82% of all gross receipts and taxable payroll reported in Oakland – a total of over \$20.6 billion in fiscal year 2019-2020, but these businesses paid only 66% of the total business taxes collected in the City. The top 0.1% of businesses in the city alone reported more gross receipts than the entire bottom 93% of businesses (\$6.2 billion compared to \$4.5 billion).⁴ **It is not equitable that Oakland's smallest businesses earn less in revenues than these large corporations and are paying a disproportionate share of taxes.**

¹ City of Oakland, Department of Finance Gross Receipts Tax Rates, available at: <https://cao-94612.s3.amazonaws.com/documents/Business-Tax-Classification-and-Rate-Tables-2020.pdf>

² Data provided by Blue Sky Consulting Group to the Blue Ribbon Equitable Business Tax Taskforce.

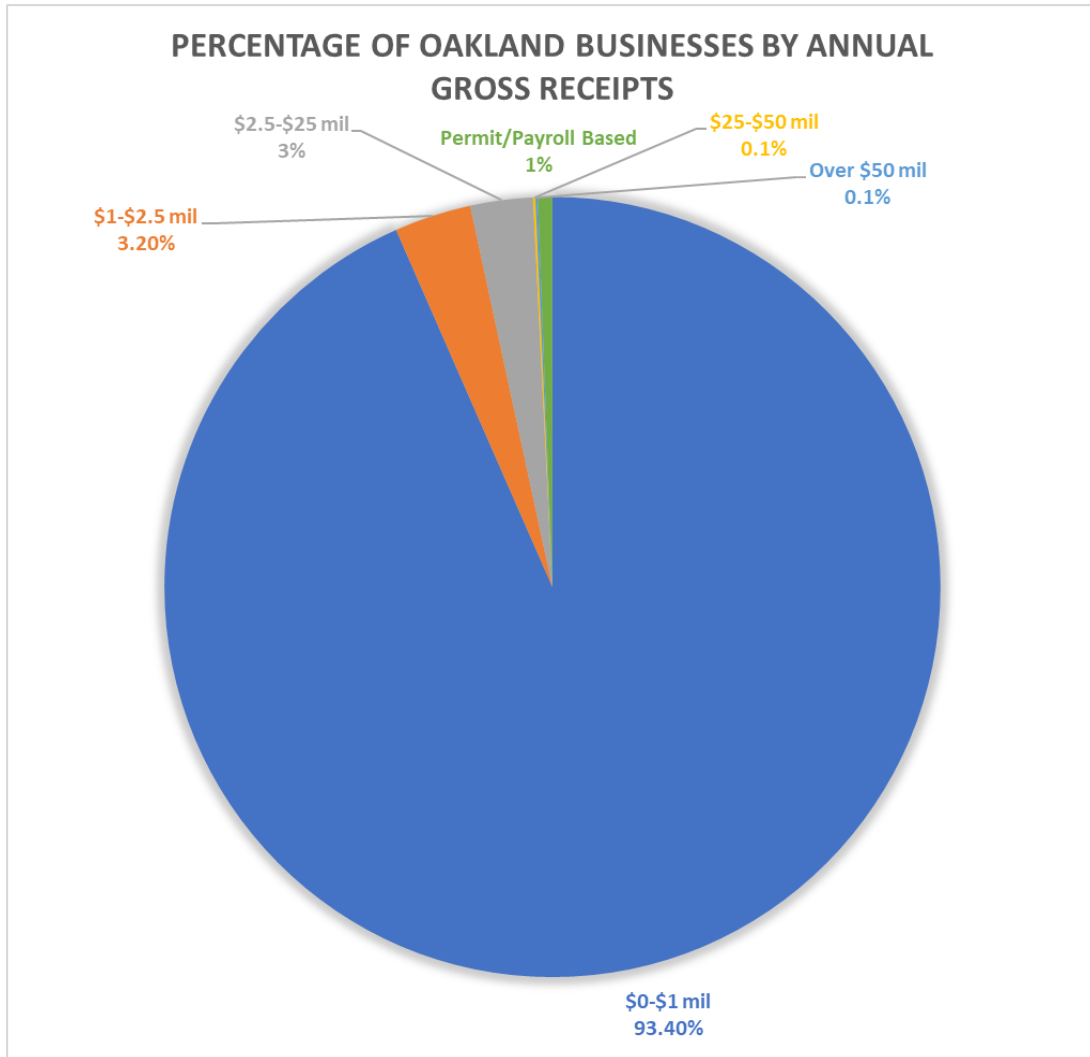
³ Some industries, such as Administrative Headquarters and Miscellaneous businesses are taxed based on gross payroll.

⁴ Data provided by Blue Sky Consulting Group to the Blue Ribbon Equitable Business Tax Taskforce. Note: total gross receipts numbers include payroll data.



TAX BREAKS FOR SMALL BUSINESSES

	Task Force	Bas-Fife March 2022
Businesses with Tax Cut of \$100+		
# Businesses Benefitting	3,675	3,675
Avg. Tax Cut	(\$255)	(\$255)
Total Cost	(\$938,452)	(\$938,452)
Businesses with Tax Cut of < \$100		
# Businesses Benefitting	17,104	17,123
Avg. Tax Cut	(\$21)	(\$21)
Total Cost	(\$351,067)	(\$351,232)
All Businesses with Tax Cut		
# Businesses Benefitting	20,779	20,798
Avg. Tax Cut	(\$62)	(\$62)
Total Cost	(\$1,289,520)	(\$1,289,684)



B. Progressive Corporate Taxation in Other Cities

An alternative to the flat gross receipts tax is a progressive gross receipts tax, in which larger businesses with higher gross receipts pay more than smaller businesses with less gross receipts. In a progressive system, every business pays their fair and proportional share into the city's general fund. Several other Bay Area cities have implemented various forms of progressive business taxation, most notably San Francisco in 2012,⁵ as well as Richmond, Walnut Creek and San Jose. Additionally, Riverside, CA and Seattle, WA have forms of progressive business taxes. In these cities, the smallest businesses are either exempt from the tax or pay a much lower amount than the larger businesses.

For example, San Francisco implemented a progressive gross receipts tax structure, passed by the voters in 2012, as well as additional taxes on very large corporations (Proposition C in June 2018 and Proposition C in November 2018). Until recently, San Francisco levied both a payroll tax and a progressively structured gross receipts tax on most businesses in the city. In November of 2020, San Francisco voters approved Proposition F, a comprehensive overhaul of the business tax system that fully phased out the city's payroll tax for all businesses except administrative headquarters and increased gross receipts tax rates and payroll taxes for larger businesses while providing tax relief to more small businesses. This full overhaul will significantly grow San Francisco's general fund.

By reforming the gross receipts tax in Oakland, we can support the small businesses that need it most through tax relief and improved city services to address homelessness, illegal dumping and trash clean up, street and sidewalk maintenance, small business assistance, fire safety, and community solutions that keep us safe.

C. Keeping Oakland Competitive

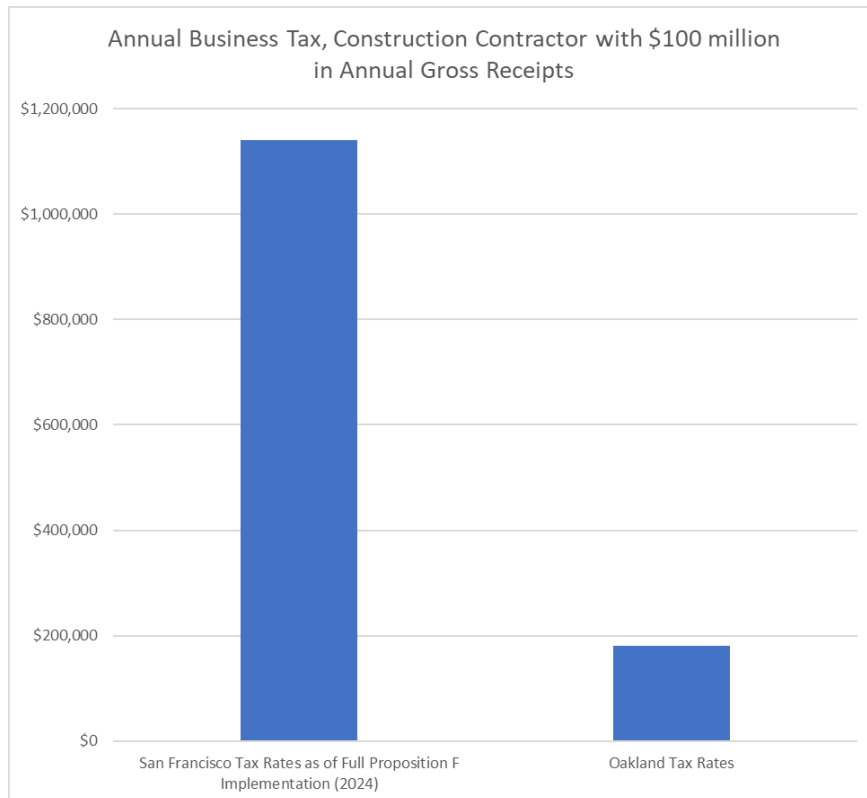
San Francisco's progressive gross receipts tax system means that the cost of doing business varies widely between Oakland and San Francisco. This gap will continue to grow as San Francisco's system becomes more progressive with the implementation of Prop F. Many large companies pay half the gross receipts taxes in Oakland than they would in San Francisco. These large, multi-million dollar corporations pay more in gross receipts taxes in San Francisco, than in Oakland, infusing the San Francisco general purpose fund with needed resources to provide services to the community.

For example, in fiscal year 2019-2020, five construction contractors reported over \$100 million in annual gross receipts in Oakland.⁶ In San Francisco, these companies will pay over \$1.1 million annually in business taxes with the implementation of Proposition F. In the City of Oakland, they would pay \$180,000.

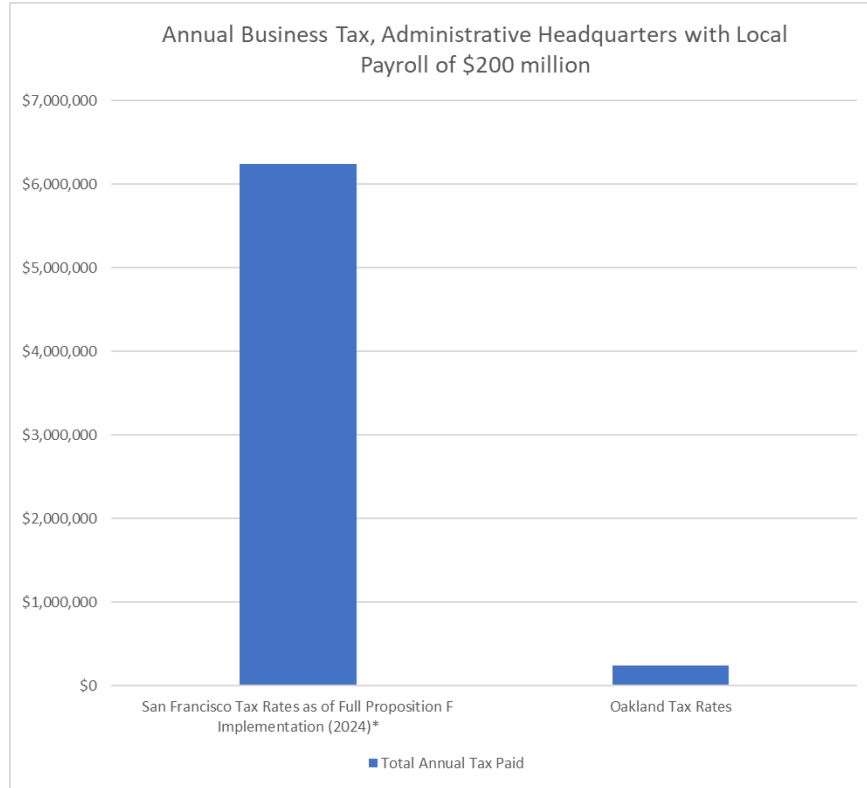
⁵ City and County of San Francisco, Office of the Treasurer and Tax Collector:
<https://sftreasurer.org/business/taxes-fees/gross-receipts-tax-gr>

⁶ Data provided to the Blue Ribbon Equitable Business Tax Taskforce

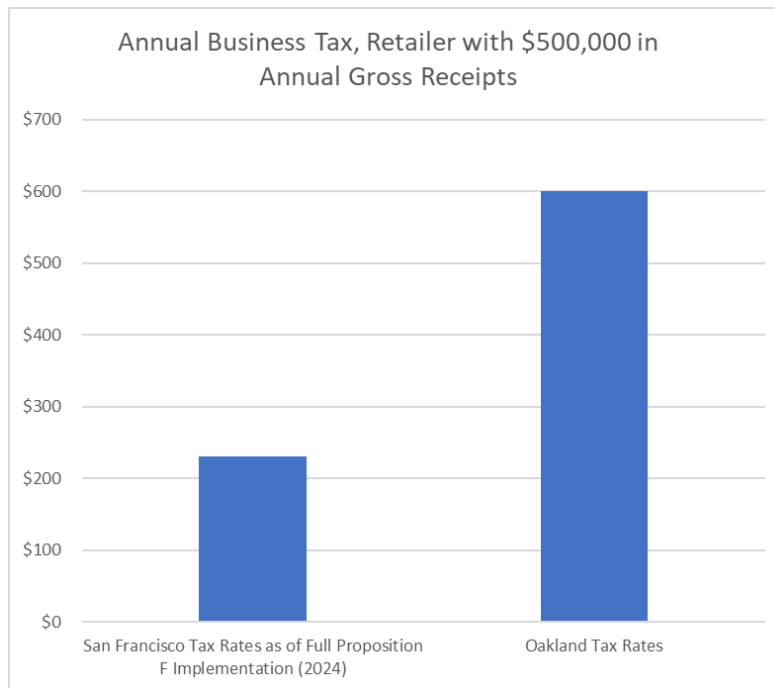
The tax equity gap is most significant when it comes to the administrative headquarters of large, highly successful companies. In San Francisco, the administrative offices of firms with over 1,000 U.S. employees that report over \$1 billion in gross receipts for purposes of their federal tax returns are subject to a combined payroll tax rate of 3.12%, including Proposition C tax rates and those included in Proposition F. By comparison, these firms pay a payroll tax of 0.12% on payroll in excess of \$50,000 in Oakland. For an administrative headquarters with \$200 million in local payroll, they would pay \$6.2 million in San Francisco to support city services for residents and businesses, while in Oakland they pay \$239,940.

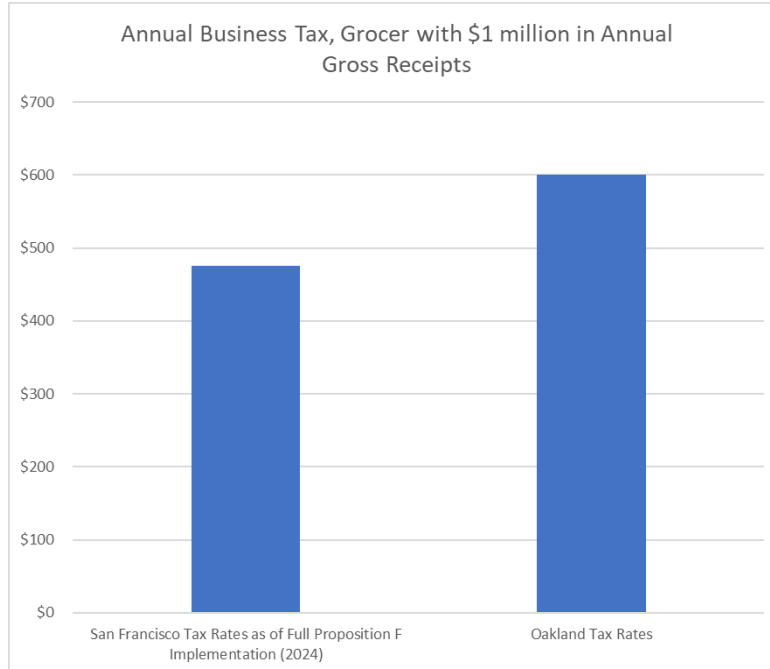


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Meanwhile, many small businesses are paying more than double in Oakland than they would in San Francisco. By comparison, a retailer with \$500,000 in gross receipts will pay \$230 annually in San Francisco while in Oakland they would pay \$600. A grocer with \$1 million in annual gross receipts will pay \$475 in San Francisco, while in Oakland they pay \$600.





The progressive rate structure in San Francisco has successfully shifted the business tax burden across industries and businesses of different sizes. It raises important revenue to help fund city services, including those services that are crucial for businesses’ operations.

Small businesses are paying more to operate in Oakland than they would in other Bay Area cities, including San Francisco and Richmond. A progressive update to the gross receipts tax system would bring Oakland up to date with how other cities structure their gross receipts taxes, and would create more equity in the City’s taxation of its businesses, shifting the tax burden from smaller businesses to larger ones.

ANALYSIS AND POLICY ALTERNATIVES

A. Equitable, Tiered Gross Receipts Tax Structure, Investments in City Services

Our proposal provides a structural reform that would protect and add resources for vital city services, including homelessness services and housing, street and sidewalk maintenance, trash collection, small business assistance, fire safety, and community safety, as well as support struggling small businesses by making our local business tax structure fairer to everyone. A progressive, tiered tax system where smaller businesses pay less taxes, while larger businesses pay more, is an important avenue for revenue in a system that is antiquated and was last updated in 2005. By modernizing our tax system, we can give needed tax relief to small businesses and generate the revenue we need to protect and enhance city services that we all depend on — that have been constantly at risk of being cut back, even before this global pandemic.

B. Policy Goals: Support Small Businesses, Invite Large Corporations to Invest in Strengthening Our City, Raise Revenue, and Close Loopholes

There are four main goals of the equitable business tax proposal, which are based on recommendations from the [Blue Ribbon Equitable Business Tax Task Force](#):

1. Provide small businesses, which make up the vast majority in Oakland, with needed relief from gross receipts taxes and improved city services;
2. Invite larger corporations to make deeper investments in gross receipts taxes in order to help rebuild and strengthen our city;
3. Raise revenue to increase and improve city services for the businesses and residents of Oakland, including homelessness services and housing, illegal dumping clean-up, street and sidewalk maintenance, small business assistance, fire safety, and community safety; and
4. Modernize the gross receipts tax structure and close loopholes.

Under the proposed system, many small businesses in Oakland will see a reduction in their gross receipts tax rate, while large and very large companies in Oakland will pay rates that are comparable to other large cities, but less than San Francisco. The progressive, tiered system will ensure that all businesses are paying their fair share of taxes in Oakland and will ultimately raise much-needed revenue for the city's general purpose fund. **Moreover, in this gross receipts tax structure, businesses will only pay higher rates if they are earning more revenue. Businesses earning less revenue will pay lower rates.**

C. Policy Changes

The proposed system makes the following key changes to Oakland's gross receipts tax structure:

1. **Tax Breaks for Small Businesses:** Over 20,000 small businesses will receive a tax cut. This includes tax cuts for all retailers, restaurants, grocers, wholesalers, business and personal service firms, hotels, motels and professional/semi-professional businesses with up to \$2.5 million in gross receipts and all manufacturers with up to \$1 million in gross receipts.
2. **Progressive, tiered structure:** As a business owner's gross receipts increase, the rate they pay on that revenue increases. **While 97% of businesses will receive a tax cut or pay rates similar to what they pay now, the top 3% of businesses in Oakland will be asked to contribute more while keeping our city regionally competitive.** The highest tax rates will only apply to businesses with \$100 million or more in annual gross receipts and administrative headquarters of companies with over \$1 billion in total annual revenues.

3. **Closes loopholes:** Creates a “master certificate” requirement for all related business entities for the purposes of determining the business tax due in the aggregation of these entities’ gross receipts. Sunsets the five-year business tax exemption for new building construction on December 31, 2023.

4. **Raises over \$40 million annually in new revenue to expand and improve city services:** For too long, Oakland has been starved for resources to fund general city services that improve the quality of life for all residents and create a vibrant, safe and clean city where businesses can thrive. By raising \$40 million in new general fund revenues, Oakland will be able to fund all functions of city government for decades to come, including homelessness services and housing, street and sidewalk maintenance, trash collection, small business assistance, fire safety, and community safety.

The proposed system leaves “as-is” and unchanged the business tax rates for cannabis and residential and commercial rentals, which were both updated by the Council in 2019.

D. Importance of City Services to the Business Community

The Blue Ribbon Equitable Business Tax Task Force recommended a number of ways in which the city could improve support for businesses in our community, including increased funding for city services, especially for clean streets and homelessness services, and small business assistance.

The 2017 Small Business Task Force developed a number of recommendations that are still relevant today, including improving service delivery to small businesses, better data collection of the small business community, and coordinated marketing.

A [2020 study by students at the Goldman School of Public Policy \(Attachment C\)](#) found that business tax rates are not a factor in businesses’ decisions to locate in Oakland.⁷ In a survey of 59 Oakland business owners, not a single respondent indicated that the business tax rates were a factor in why they chose to open their business in Oakland. In interviews with members of the business community, business owners and representatives from local chambers of commerce and Business Improvement Districts did not emphasize the gross receipts tax as being a particularly salient aspect of the overall cost of doing business in Oakland.

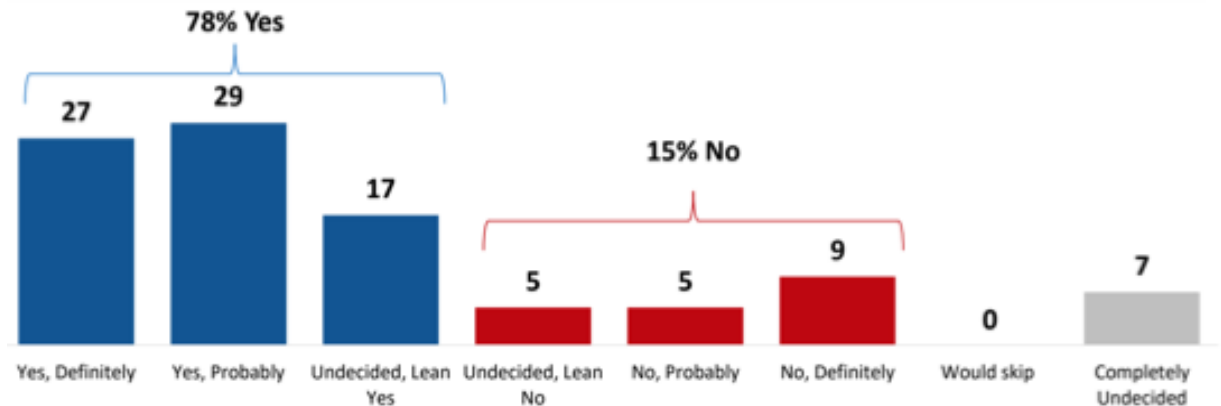
However, what members of the business community did emphasize was the need for improved city services that are more responsive to the needs of business owners. Routine services such as street and sidewalk maintenance are of critical importance to businesses, as are the longer-term efforts the city puts into addressing the homelessness crisis and affordable housing crisis. Business owners understand that their taxes pay for these services, and some even went as far as to say in interviews that they would be happy to pay higher taxes for better funded services.

⁷ <https://bit.ly/37KqOsI>

E. Oakland Residents Overwhelmingly Supportive

A poll conducted in May 2020 by David Binder Research interviewed 400 Oakland residents. The results were significantly positive: about 60 percent of participants supported the measure, and this jumped to nearly 78 percent after a short and neutral explanation of the measure. A new poll will be conducted and results will be shared.

This measure would change the way businesses are taxed on the revenue they receive, known as a gross receipts tax. Currently, all businesses in Oakland are charged the same tax rate, no matter how much revenue they receive. This measure would revise the system to create a progressive tax structure, where the tax rate is higher for businesses receiving the most revenue, with the highest rate reserved for businesses making over \$50 million in revenue per year. Businesses with revenue below \$250,000 would pay no gross receipts taxes. The City of Oakland would receive \$48 million annually in new revenue to fund city services, such as public safety, street repair, and park maintenance.



F. An Equitable Recovery

Ever since the last great recession in 2008, the City of Oakland's staffing shortage has created serious citywide service delivery problems. The City has a 12.42 percent vacancy rate as of September 22, 2021, which means that approximately 12.42 percent of budgeted full-time equivalent positions are not currently filled.⁸ The City is not able to sufficiently provide services to businesses and residents alike, but passing a progressive gross receipts tax would help address that in the long term.

Rather than making cuts, the City should raise revenue, so it can increase its staffing capacity and provide better, more responsive services to its businesses and residents. **Our priorities for Oakland are clear: support small businesses, fix our streets, clean up trash, address the homelessness crisis, and ensure fire and community safety.** We saw what happened last time we faced an economic downturn: vital city services were cut and never restored. Oakland residents are coming together to fight this pandemic and are ready to work to make sure our communities recover. By acting now and reforming Oakland's business tax to make it more equitable, we can make sure that communities are not further harmed, but are stronger as the economy recovers.

⁸

<https://oakland.legistar.com/LegislationDetail.aspx?ID=5182307&GUID=1EB51A07-CD86-41DC-8E6E-8ADF48957B87&Options=&Search=>

IMPLEMENTATION AND ADMINISTRATION

These updates would be submitted to the voters as an ordinance on the November 8, 2022 ballot, and should it pass with a simple majority vote, it would be effective as of January 1, 2023. The Finance Department will update its systems and procedures to conform with these proposed updates to the gross receipts tax structure.

FISCAL IMPACT

The proposed ballot measure updates the current flat gross receipts tax system into an equitable and progressive, or tiered, gross receipts tax system, in which larger businesses with higher gross receipts pay more than smaller businesses with less gross receipts. In a progressive system, every business pays their fair and proportional share into the city's general purpose fund. An analysis by Blue Sky Consulting Group shows that the proposed system with the rate schedule in ***Attachment A*** is projected to generate approximately \$40 million in additional annual revenue to the City's general purpose fund.

Amendments to Task Force recommendations on tax rates

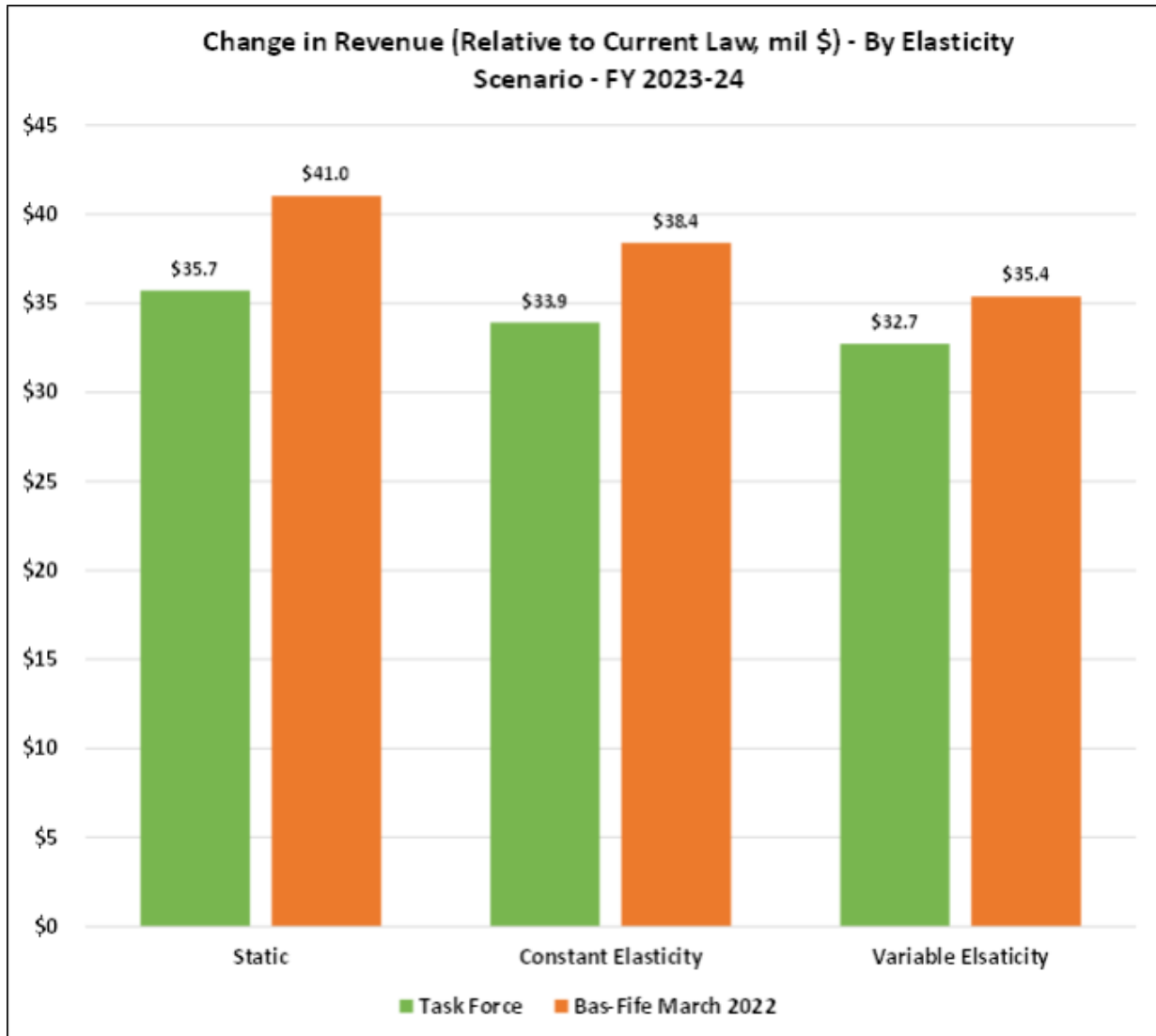
[Attachment A](#) shows amendments to the Task Force recommendations. The differences between the Task Force proposal and this 2022 Council proposal are as follows:

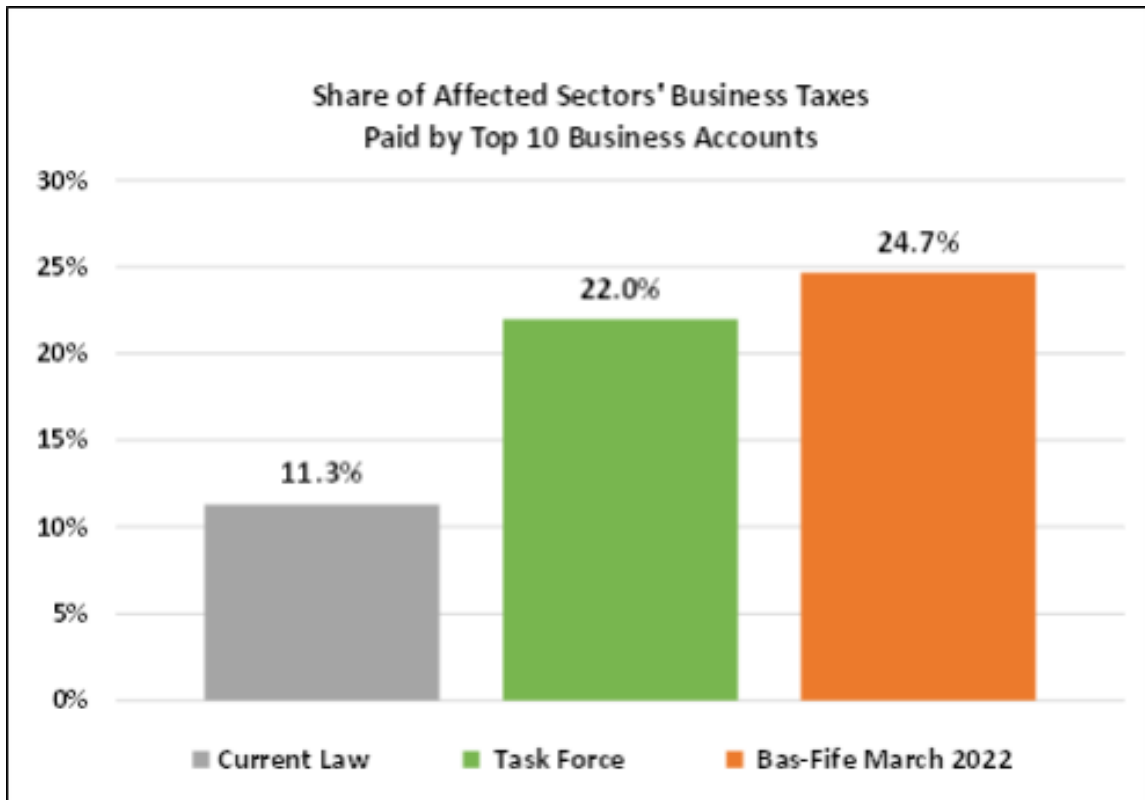
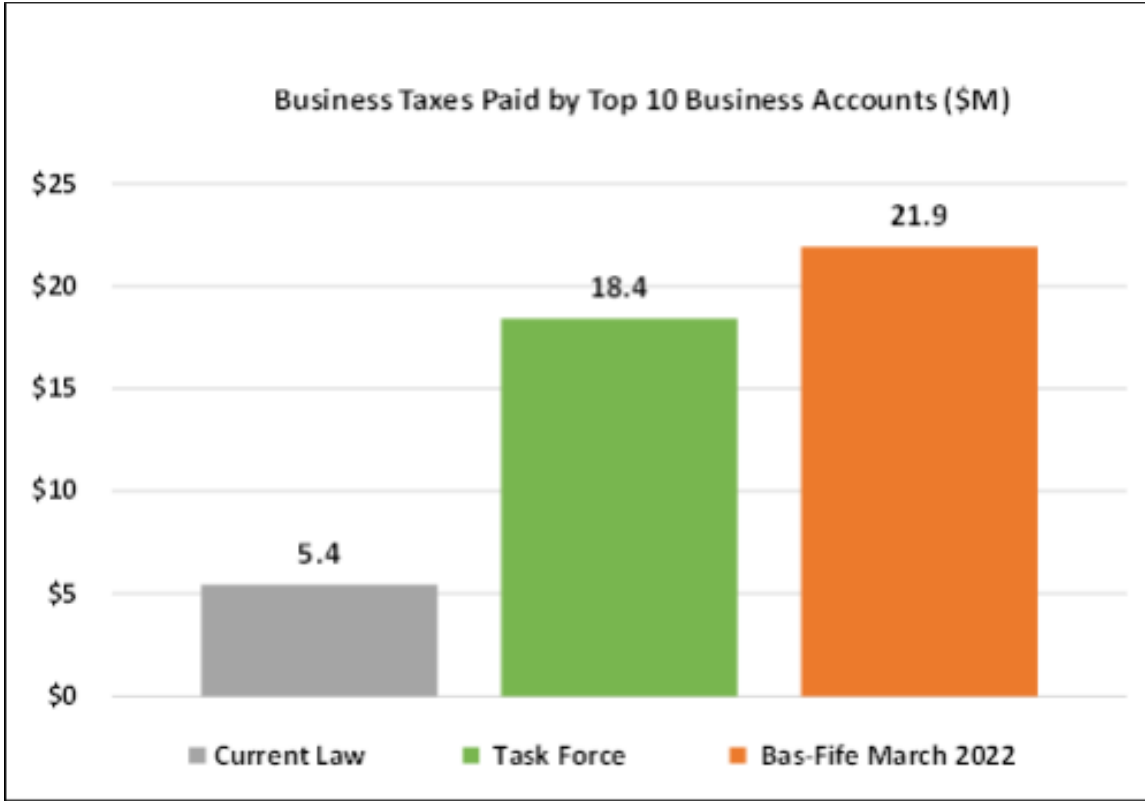
1. This proposal **lowers rates in the up to \$1M bracket** for these categories: Administrative Headquarters, Media Firms, Public Utilities, and Miscellaneous. **This change ensures that all small businesses with gross receipts under \$1M get tax relief.**
2. This proposal **increases rates in the \$75M to \$100M bracket** for these categories: Auto Sales, Wholesale, Business/Personal Services, Professional/Semi-Professional Services, Recreation and Entertainment, Contractors, Manufacturing, Hotel/Motel, Administrative Headquarters, Media Firms, and Miscellaneous.
3. This proposal **creates a new bracket for \$100M and above** for these categories: Grocers, Auto Sales, Wholesale, Business/Personal Services, Professional/Semi-Professional Services, Recreation and Entertainment, Contractors, Manufacturing, Hotel/Motel, Administrative Headquarters, Media Firms, and Miscellaneous.
4. This proposal **amends Taxi, Ambulance, Limousine and Transportation, Trucking rates** as proposed by CM Dan Kalb in his July 12, 2020 memo.

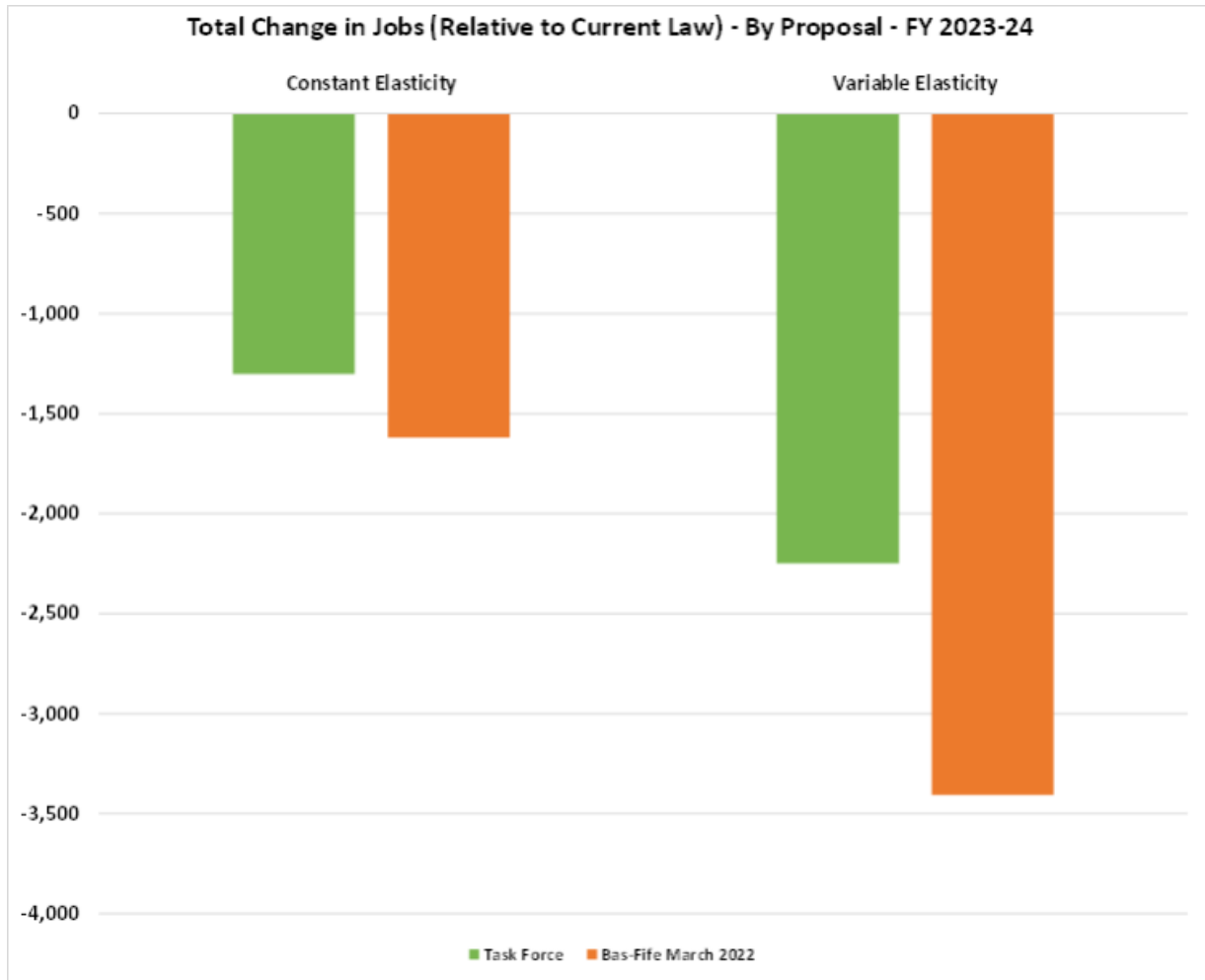
Please note that this proposal **maintains the Task Force recommendation for an administrative headquarters tax for large national firms** with administrative functions in Oakland. This tax would apply in lieu of the regular payroll-based administrative headquarters tax for firms with more than 1,000 employees nationally and \$1 billion in revenue. This is estimated to raise an additional \$8.2 million.

Also note that this proposal **leaves “as-is” and unchanged the business tax rates for cannabis and residential and commercial rentals, which were both updated by the City Council in 2019.**

The charts below compare the revenue and job impacts of the Task Force recommendations with this 2022 Council proposal. This proposal would raise about \$5 million more than the Task Force recommendations.







At the March 31, 2022 Rules & Legislation Committee meeting, the **UC Berkeley Center for Labor Research and Education (CLRE)** will present its analysis of the possible impacts of a proposed restructuring of Oakland’s Gross Receipts Tax, including an evaluation of the job impact estimates made by the Blue Sky Consulting Group and the key factors that affect business location and expansion. CLRE will also discuss the importance of strengthening the city’s revenue base to support Oakland’s continued recovery from the impacts of the COVID-19 pandemic and the importance of improving public services to support business growth and retention, most immediately by filling key staff positions that currently lack funding. Oakland’s small businesses in particular—which generate economic activity that stays local and supports Oakland’s residents of color—could benefit from both a reduced tax burden and additional strategic supports. **A progressive business tax equitably shifts responsibility to larger businesses to benefit Oakland’s long-term economic health and is in alignment with the approaches being taken by similar jurisdictions.**

PUBLIC OUTREACH / INTEREST

Updating Oakland's business tax has been discussed and debated significantly since 2020. The authors of the 2020 legislation (Councilmembers Bas, Thao and Kalb) met with the following business groups about the proposed changes to the gross receipts tax structure: the Ethnic Chambers of Commerce (including the African American Chamber, Chinatown Chamber, Latino Chamber, and Vietnamese Chamber), the Business Improvement Districts and Associations, local merchant associations, the Oakland Indie Alliance, Metropolitan Chamber of Commerce, and Jobs and Housing Coalition. The authors are continuing to engage these associations along with individual businesses about this proposal and particulars within the proposed rate schedule. They also met with the Refund Coalition, a coalition of labor and community organizations that organize around the City budget.

In January 2021, City Council established the [Blue Ribbon Equitable Business Tax Task Force](#) to engage in a thorough process of analysis and stakeholder engagement to develop comprehensive recommendations for a modernized, progressive business tax. The eleven member Task Force consisted of nine members of the business community. These business community members included representatives of small, medium, and large businesses, cooperatives, business improvement districts, and business associations. The Task Force also had one representative from labor and one workforce development representative.

The Task Force met 16 times over the course of 7 months from April 2021 to October 2021 and held over 20 hours of public meetings and discussion. The Task Force meetings were open to the public and the public could watch recorded videos of each meeting.

Over the course of the public meetings, the Task Force heard presentations from a wide array of subject matter experts ranging from affected businesses and business organizations like the Oakland Chamber of Commerce and TRI Commercial to staff from cities with progressive business taxes like the City and County of San Francisco's Chief Economist Ted Egan and the Finance Department staff of the City of Richmond. Additionally, the Task Force received many public comments from businesses and community members over the course of the 16 meetings. After a thorough and transparent process, the Blue Ribbon Task Force delivered a set of [recommendations](#) to City Council in January 2022.

Since the Task Force recommendations were approved, the authors of this legislation have engaged numerous stakeholders including business associations, individual businesses, community groups, labor unions and community members.

COORDINATION

The City of Oakland Budget Advisory Commission (BAC) formally recommended that the Council look into new revenue streams in their Budget Advisory Memos in 2019, 2020 and 2021 as well as in previous budget cycles. Council President Bas presented the 2020 proposal

at the BAC Meeting on June 10, 2020. CP Bas will present this 2022 proposal at the BAC Meeting on April 13, 2022.

In 2020, the Finance Department was extensively consulted about the legislation and provided data and financial modeling critical to the development of the rate schedule. The Finance Department provided the recommendations for modernizing and closing loopholes in the City's current business tax structure. In 2022, Council President Bas and Councilmember Fife are consulting with the Finance Department, who continues to engage the Economic and Workforce Development Department and Blue Sky Consulting Group to support economic analysis.

The City Attorney's Office is extensively consulted for this legislation and developed the draft ordinance.

SUSTAINABLE OPPORTUNITIES

Economic: The additional revenue generated from the gross receipts tax will enable the City to increase its capacity to provide services from its general purpose fund, including small business assistance, homelessness services and housing, street and sidewalk maintenance, trash collection and illegal dumping clean-up, fire safety, and community safety services.

Environmental: The additional revenue generated from the gross receipts tax would be used to reduce trash and litter on the streets, address the environmental impacts caused by unsheltered/unhoused persons living in the City streets, and develop structural solutions to update and improve outdated and wasteful systems within City government.

Race and Equity: In its current form, last updated in 2005, the City's gross receipts tax structure is flat, meaning that very large businesses are taxed at the same rate as very small businesses. This does not reflect the city's current values of helping small, local businesses to thrive. Oakland's smallest businesses disproportionately bear the burden of taxation. In fact, 93% of all Oakland businesses earn less than \$1 million in gross receipts annually. However, while their combined revenue comprises only 18% of taxable gross receipts citywide, together they paid double their share – 34% – of all business taxes in FY 2019-2020. This inequity is further demonstrated by the fact that the remaining 7% of businesses in Oakland – those earning more than \$1 million in annual gross receipts – comprise 82% of gross receipts citywide, yet paid far less than their share, only 66% of total business taxes.

The authors have requested a race and equity analysis from the Administration. However, the demographic data from the Finance Department reveals that about 40% of businesses decline to share demographic information, and many of these are larger businesses. The Finance Department is seeking additional information from the Economic and Workforce Development Department. Nonetheless, we do know that the overwhelming majority of businesses in Oakland are very small (93% have gross receipts of under \$1 million) and many are owned by

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Subject: Progressive and Equitable Business Tax

BIPOC community members. It is not equitable that Oakland's smallest businesses are paying the highest proportion of business taxes.

The proposed structure is, at its core, an equity reform. It would update the City's current flat tax into an equitable, progressive tax system, where smaller businesses pay less taxes, while larger businesses pay more. It would protect and add resources to vital city services for residents and businesses in Oakland, provide needed tax relief to Oakland's smallest businesses, and make the City's local business tax structure fairer to everyone.

ACTION REQUESTED BY THE CITY COUNCIL

We respectfully request that the City Council, in order to raise revenue for the City's general purpose fund and create more equity and fairness in the City's business tax structure, consider:

Adopting A Resolution: 1. Amending Resolution No. 88227 C.M.S., Which, Among Other Things, Submitted To The Voters At The November 8, 2022 General Municipal Election, An Ordinance Repealing And Replacing Chapter 5.04 Of The Oakland Municipal Code, To Modify Said Ordinance To Incorporate Recommendations From The Blue Ribbon Equitable Business Tax Task Force; And 2. Directing The City Clerk To Take All Actions Necessary To Prepare For And Conduct A November 8, 2022 General Municipal Election.

For questions regarding this report, please contact Cinthya Munoz Ramos, Chief of Staff, Office of Council President Nikki Fortunato Bas, at cmunozramos@oaklandca.gov.

Respectfully Submitted,



Nikki Fortunato Bas
Council President, District 2



Carroll Fife
Councilmember, District 3

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Attachments:

- A. Current and Proposed Rate Schedule
- B. Recommendations from the Equitable Business Tax Task Force (2021)
- C. Goldman School of Public Policy Presentation: Business Taxes & Perception of City Services In Oakland (2020)
- D. Council Resolution