

DATE: July 12, 2020
TO: Oakland City Council and Members of the Public
FROM: Councilmember Nikki Fortunato Bas
President Pro Tempore Dan Kalb
Councilmember Sheng Thao
SUBJECT: Amendments to the Equitable Business Tax Structure Resolution

Additional Equitable Business Tax Amendments

(proposed by Councilmember Dan Kalb)

The Sections of the Oakland Municipal Code dealing with business taxes from various transportation services have not been modified since 1979. The structure for these categories is not based on gross receipts, but instead on either number of vehicles or number of employees. Rather than completely overall the structure for these categories, these amendments merely update the dollar values and modify the transportation/trucking category to be more progressive consistent with the goal of this overall measure. No change is being made for taxicab permit holders.

5.04.225 Class N: Taxi and Limousine Service

Persons engaged in Class ~~KN~~ business activities shall pay a business tax of \$~~75~~149 for each ambulance, \$180 for each ~~or~~ limousine, and \$180 for each taxicab permit.

5.04.230 Class O: Transportation and Trucking

A. Persons engaged in Class ~~LQ~~ business activities shall pay an annual business tax based upon the average number of persons employed by such business in the city as follows:

1. \$~~72~~150 for the first person employed;
2. \$~~18~~25.00 per person for the next ~~199~~ persons employed;
3. \$~~9~~30.00 per person for the next ~~80~~90 persons employed;
4. \$~~7.50~~40.00 per person for **all other** ~~the next 100~~ persons employed;
5. ~~\$4.50 per person for all other persons employed.~~

B. "Average number of persons employed" means the average number of persons employed daily in the business for the period of one year, and shall be determined by ascertaining the

total number of hours of service performed by all employees during the previous year, and dividing the total number of hours of service thus obtained by the number of hours of service constituting a day's work, according to the custom or laws governing such employments, and by again dividing the sum thus obtained by the number of business days in each year. In computing the "average number of persons employed," fraction of numbers shall be excluded. "Employee," as used in this section, means all persons engaged in the operation or conduct of the business, whether as owner, any member of the owner's family, partner, manager, and any and all other persons employed or working in said business. **The City Administrator or his/her designee may develop regulations to further explain and define "average number of persons employed."**

Respectfully submitted



Dan Kalb
Council President Pro Tem