

MOTION

BUDGET & FINANCE
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During uncertain economic times, the City of Los Angeles should do everything within its power to assist the men and women who create jobs and provide revenue for critical City resources. Adopting another set of gross receipt tax cuts based on the 2005 ordinance has the ability to provide significant relief to businesses without jeopardizing City revenues.

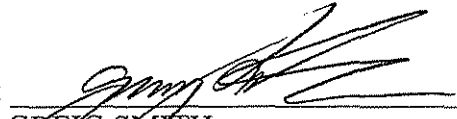
The last round of tax cuts were a resounding success. The 2005 Business Tax Reform package reduced the City's gross receipts rates by 15% while at the same time business tax revenue increased each year above projections.

The City should begin preparing for the next round of gross receipts tax relief with the goal of bringing Los Angeles into a much more competitive position relative to neighboring cities. Not only will this action enhance the City's ability to compete with neighboring jurisdictions, it will also increase overall revenue to the City.

Further reduction of the business tax needs be carefully considered to ensure that when it is enacted it will positively impact both the City's economy and budget. As such, the City should invite a third party economic advisor, such as the UCLA Anderson Forecast, to determine the proper timing for this change. With this information a plan will be put in place that will automatically trigger a rate reduction based on specified economic criteria.

I THEREFORE MOVE that the CAO, CLA, Office of Finance and other appropriate departments report to the Jobs, Business Growth and Tax Reform Committee with recommendations for an independent, third party, economic advisor to complete an in depth economic analysis that will inform a plan to automatically trigger a reduction in the gross receipts tax based up specified economic criteria.

PRESENTED BY: _____


GREG SMITH
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SECONDED BY: _____



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