

13-0002-534

MAR 05 2013

RESOLUTION RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the State of California recognized the value of encouraging businesses to invest in research and development to help create new products and services and to improve existing products and processes by enacting an income and corporate tax credit in 1986 that rewards companies that make these investments by offering them a tax credit of 15% of "excess qualified research and development expenses," as defined in the law; and

WHEREAS, reports show that businesses in the State of California account for more than one-fifth of total research and development investments in the United States; California universities rank fifth among all universities in R&D; and three states - California, Massachusetts, and Texas - account for more than half of all research and development on computer and electronics products in the United States; and

WHEREAS, countries such as China and India also recognize the value of R&D investments, and have significantly increased their efforts to expand research and development in their respective countries, which has lead some businesses in the Silicon Valley to relocate certain operations to those countries; and


WHEREAS, Senator Ted W. Lieu, recognizing the need to keep California as a leader in research and development, has introduced Senate Bill 500 to expand the State's tax credit from 15% to 20% of excess qualified research and development expenses, and to conform the State's alternative incremental research credit with federal tax laws; and

WHEREAS, when fully implemented, SB 500 would encourage the creation of more high-skill, high-paying jobs in the State; and

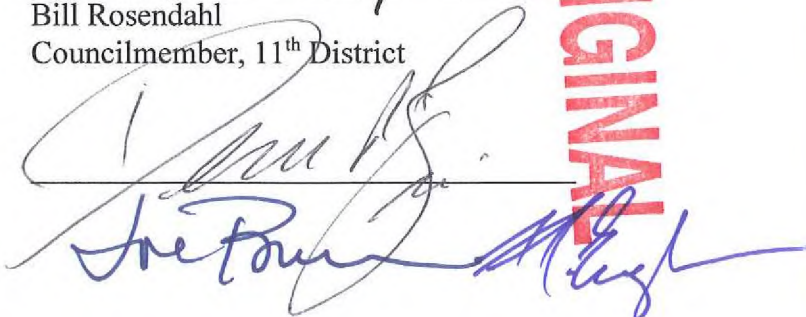
WHEREAS, the Los Angeles City Council has historically supported efforts to encourage research and development in the City, in such areas as technology, renewable energy, and alternative fuels.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013-14 State Legislative Program SUPPORT for Senate Bill 500, authored by Senator Lieu, to encourage businesses in California to expand their investment in research and development by offering improved tax credits to reward those efforts.

PRESENTED BY:

  
Bill Rosendahl  
Councilmember, 11<sup>th</sup> District

SECONDED BY:



  
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