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When making inquiries relative to
this matter, please refer to the
Council File No.: [18-0002-S60](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 30, 2018

Council File No.: [18-0002-S60](#)

Council Meeting Date: May 25, 2018

Agenda Item No.: 8

Agenda Description: COMMUNICATION FROM THE CHIEF LEGISLATIVE ANALYST and RESOLUTION relative to establishing the City's position regarding AB 2731 (Gipson), which would close the carried interest loophole by levying an additional tax rate of 17 percent on the portion of a taxpayer's taxable income derived from managing a hedge fund or private equity fund.

Council Action: RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT AND RESOLUTION - ADOPTED

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
ABSENT	MITCHELL ENGLANDER
YES	MARQUEECE HARRIS-DAWSON
ABSENT	JOSE HUIZAR
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
ABSENT	CURREN D. PRICE
YES	MONICA RODRIGUEZ
YES	DAVID RYU
ABSENT	HERB WESSON

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RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and RESOLUTION relative to establishing the City's position regarding AB 2731 (Gipson), which would close the carried interest loophole by levying an additional tax rate of 17 percent on the portion of a taxpayer's taxable income derived from managing a hedge fund or private equity fund.

Recommendation for Council action, pursuant to Resolution (Harris-Dawson - Price), SUBJECT TO THE CONCURRENCE OF THE MAYOR:

ADOPT the accompanying RESOLUTION to include in the City's 2017-18 State Legislative Program, SUPPORT for AB 2731 (Gipson), which would close the carried interest loophole by levying an additional tax rate of 17 percent on the portion of a taxpayer's taxable income derived from managing a hedge fund or private equity fund and would allocate the revenues to various education purposes.

Fiscal Impact Statement: None submitted by the Chief Legislative Analyst (CLA). The City Administrative Officer has not completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a special meeting held on May 23, 2018, the Rules, Elections, and Intergovernmental Relations Committee considered Resolution (Harris-Dawson - Price) and a CLA report relative to establishing the City's position regarding AB 2731 (Gipson) which would close the carried interest loophole by levying an additional tax rate of 17 percent on the portion of a taxpayer's taxable income derived from managing a hedge fund or private equity fund and would allocate the revenues to various education purposes. The CLA report, attached to the Council file, provides additional background information a summary of the Resolution.

After consideration, and after providing an opportunity for public comment, the Committee recommended that Council adopt the accompanying Resolution. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
HUIZAR:	ABSENT
HARRIS-DAWSON:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-