

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
HUZAR:	ABSENT
HARRIS-DAWSON:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-