

BUDGET & FINANCE

MOTION

The effects of the COVID-19 pandemic on the small business community in the City of Los Angeles have forced business owners to function at limited capacities, or to shut their doors entirely, to comply with public health requirements. The revenue shortfalls have been significant, and business recovery from those revenue losses will be slow as they reopen at limited capacities.

An area of immediate concern for retaining these struggling businesses is the annual business tax payment requirement by the City. The Office of Finance (Finance) processed 164,629 business tax payments for the 2020 tax period. This year, Finance has processed 103,836 payments; however, there is a significant number of businesses that have not made any payments due to their revenue losses. Finance does provide small businesses with an option to enter into an agreement for payment installments; however, the appropriate threshold for repayment (\$1000 minimum) must be met. There are approximately 16,000 small businesses in the City of Los Angeles that were unable to meet the minimum threshold to enter that agreement, still have yet to pay their basic required fees, and have been accruing penalty fees.

I THEREFORE MOVE that the Council REQUEST that the City Attorney, with the assistance of the Office of Finance, draft an ordinance to provide the following relief:

1. Lower the threshold for a business to enter into a payment installment agreement with the City from \$1000 to \$300.
2. Eliminate the interest for monthly business tax installments for businesses that have elected to pay their business tax via the installment plan.
3. Extend the business tax deadline to 2/28/2022 for the fund/classes that pay non-GRT tax and have been forced to stay closed due to the City's SAH order
4. Extend the LAPD and LAFD permit renewal fee deadlines to 6/30/2021.

PRESENTED BY: Paul Krekorian
PAUL KREKORIAN
Councilmember, 2nd District

SECONDED BY: Lauren Davis


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