# CITY OF BEVERLY HILLS
# STAFF REPORT

**Meeting Date:** February 3, 2009

**To:** Honorable Mayor & City Council

**From:** Scott Miller, Chief Financial Officer
Cheryl Friedling, Deputy City Manager
Noel Marquis, Assistant Director of Administrative Services

**Subject:** Measure P Update

**Attachments:**
1. Letter to Residents from City Manager
2. Measure P Mailer
3. Measure P Fact Sheet
4. Business Tax Classification Listings
5. City by City Business Tax Comparison

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## INTRODUCTION

Beverly Hills voters will vote on March 3, 2009 on Measure P, a ballot initiative to revise the methods for calculating certain business taxes in Beverly Hills. If passed by the voters, Measure P will help Beverly Hills address declining revenues to keep up with the cost of providing quality city services.

The City's economic forecasts (based on national/state statistics and economic projections) have anticipated significant budget challenges due to increasing expenses and declining revenues. Numerous revenue-generating measures were evaluated over the past two years in an effort to bridge this 'crossover' impact and maintain the level of City services the community has come to expect.

Because state law requires that these types of measures must be placed on an electoral ballot concurrent with City Council election dates, the City had to choose between March 2009 and March 2011 as ballot measure placement dates. This evaluation occurred in the summer of 2008, when the economy was still relatively healthy.

Educational mailings were distributed to residents regarding Measure P during the month of January. The City of Beverly Hills' materials were reviewed in advance by the City Attorney and resemble those distributed by other cities on similar ballot measures. Information regarding this initiative was reviewed by the business

community (including the Beverly Hills Chamber of Commerce) on three occasions prior to the ballot placement.

DISCUSSION

Per Council direction, staff has prepared a number of materials to assist Council and the community in understanding Measure P and the impact on various businesses. These include:

1. Letter to Residents from City Manager
2. Measure P Mailer
3. Impartial Analysis of Measure P
4. Classification Listings
5. City by City Business Tax Comparison

As stated, the City Council evaluated this issue during 2007-2008, and selected the March 2009 date for ballot placement well in advance of the onset of the nation's current recession. Staff would suggest that the Council may want to discuss options to defer implementation of the measure until 2011 or later, should Measure P receive voter approval due to the abrupt economic downturn we are all facing. These options would provide an opportunity for the economy to improve, and would result in an enhanced business climate for local Beverly Hills businesses.

FISCAL IMPACT

If approved by the voters on March 3, 2009, Measure P would provide the City's General Fund with an estimated $5 – 7 million annually to maintain general City services.

RECOMMENDATION

Staff recommends that the City Council receive and file this report and accompanying attachments.

Scott G. Miller
Chief Financial officer

Cheryl Friedling
Approved By

Roderick J. Wood, City Manager

January 5, 2009

Dear Neighbor:

Beverly Hills voters will vote on Measure P, a March 3, 2009 ballot measure to revise the methods for calculating certain business taxes in Beverly Hills.

It is important to note that this measure only affects businesses and will not increase taxes paid by homeowners or other residents of the city who do not own businesses in Beverly Hills.

Funds from this measure will be used to support general city services and operations, which include maintaining police and fire protection, continuing the city's agreement that helps support Beverly Hills schools, paving and repairing local streets, and keeping parks and public areas clean and well maintained.

The City is anticipating significant budget challenges due to increasing expenses and declining revenues. The update to the business taxes will help Beverly Hills keep up with the cost of providing quality city services. The city does not seek adjustments in the tax structure often; the last major business tax revision occurred in the mid-1970's.

The current method for calculating the business tax on oil companies was established over 30 years ago and assesses a flat rate per barrel of oil. If approved, this measure will link the oil extraction tax to the price of oil rather than basing it on a flat rate per barrel. The tax will also capture revenue from natural gas production, which previously was not taxed.

Businesses that provide professional services and businesses that provide personal services in Beverly Hills are currently charged a flat fee based on the number of people a given business employs. This measure will change the method for calculating the tax so that it is based on gross receipts. With this change, businesses will pay an amount proportional to the revenue they generate, and all professional and personal service business taxes would be lower than those in Los Angeles.

Commercial parking in Beverly Hills is not taxed by the city based on revenue generated from off-street parking, as is the case in many communities. Measure P would establish a 10% tax on those operating a commercial parking structure

or lot within the city, which is consistent with the policies in neighboring communities.

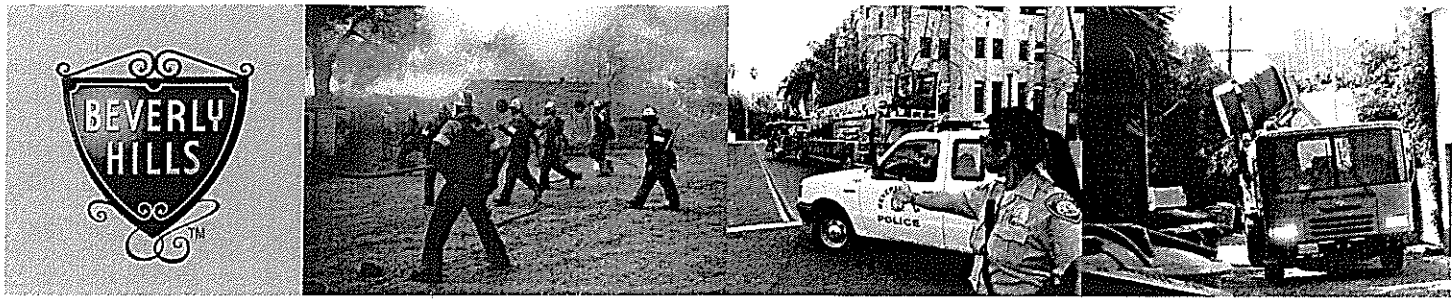
By law, all funds from this measure will stay here in Beverly Hills for local programs and services.

If you have any questions about this ballot measure or other city issues, please contact me at (310) 285-1014. On behalf of the City of Beverly Hills, I would like to wish you and your family a happy and joyous New Year.

Sincerely,

Roderick J. Wood

Roderick J. Wood
City Manager




# MEASURE P

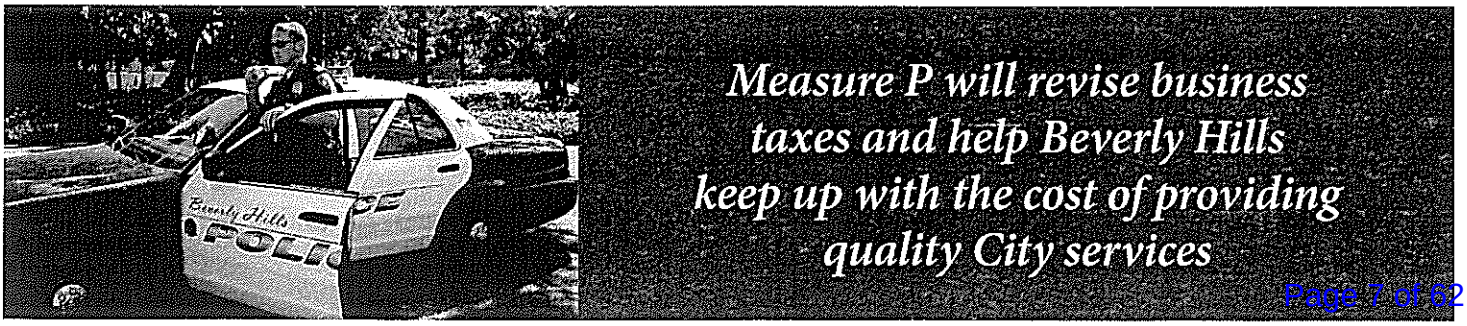
The City of Beverly Hills is anticipating significant budget challenges due to increasing expenses and declining revenues. ***Measure P*** will revise business taxes and help Beverly Hills keep up with the cost of providing quality City services. ***Measure P*** will generate funding for general City services in Beverly Hills, including:

- Maintaining police protection
- Preserving firefighting, paramedics and rapid emergency response
- Continuing the City's agreement that helps support Beverly Hills schools
- Paving, maintaining and reparing local streets
- Keeping parks and other public areas clean, landscaped and well-maintained

***Measure P*** will revise the method used to calculate certain business taxes. The measure involves:

- Revising the 30-year-old oil extraction tax by eliminating the flat rate per barrel of oil and linking the tax to the price of oil.
- Modifying the flat tax rates which are currently based on the number of people a given business employs. This type of flat tax is charged to businesses that provide professional services, personal services, or operate commercial parking lots in Beverly Hills. The flat tax would be converted to a method for calculating the tax that is based on gross receipts.
- Basing taxes for corporate headquarters in Beverly Hills will be on gross payroll rather than the number of people employed.

***Measure P*** only impacts businesses. It does not raise the taxes of homeowners or other Beverly Hills' residents who do not own businesses in Beverly Hills. If this measure passes, Beverly Hills' business taxes on professionals and personal services and corporate headquarters would still be lower than those taxes in Los Angeles.



# Measure P Frequently Asked Questions

### *What is Measure P?*

Measure P is a ballot measure appearing on the March 3rd ballot that if approved will revise the method used to calculate certain business taxes. Funds from Measure P will help to maintain general City services such as police and fire protection, road repair and maintenance, parks and public space and the City's agreement with local public schools.

### *Why is Measure P on the ballot?*

Measure P is on the ballot for two reasons. First, with the downturn in the economy and unprecedented state budget crisis, City budget forecasts now show that the cost of maintaining quality City services will soon outpace available revenue. Measure P will provide stable funding that is locally controlled to help prevent cuts. Second, existing business tax policies have not been updated in several years. The oil extraction tax, for example, has not been modified since the 1970's. These changes will establish fairer methods for calculating some of the existing business taxes.

### *What will Measure P fund?*

Revenue raised by this measure will be used to support general City operations and services, which include:

- Maintaining police protection
- Preserving firefighting, paramedics and rapid response
- Continuing the City's agreement that helps support Beverly Hills schools
- Paving, maintaining and repairing local streets
- Keeping parks and other public areas clean and well-maintained

### *How will Measure P impact Beverly Hills residents?*

Measure P only impacts businesses and will not increase taxes paid by homeowners or other residents of the City who do not own businesses in Beverly Hills.

### *What does Measure P mean for local businesses?*

Measure P will make changes to some of the City's existing business taxes, including the oil extraction tax, establishing a tax on the gross receipts of commercial parking operators and modifying the professional and personal service classifications of the business license tax. The specific changes are described below.

*Oil Extraction Tax*

The City of Beverly Hills established the tax on oil extraction over 30 years ago. Oil companies are currently taxed at a flat rate per barrel and are not taxed on revenue earned from natural gas production. The proposed modification will eliminate the flat rate, link the tax to the price of oil and tax revenue from natural gas production.

*Commercial Parking*

Commercial parking operators currently are not taxed based on revenue generated by off-street parking. The measure will establish a 10% tax on the gross receipts of businesses operating a commercial parking structure or lot.

*Other Business License Tax Classifications*

Modifications to the Business License Tax policy will affect businesses that provide professional or personal services. These businesses are currently charged a flat fee based on their number of employees. The changes proposed will base the tax on gross receipts. Businesses will pay an amount proportional to the revenue they generate.

*Corporate Headquarters*

Tax calculations will be based on gross payroll rather than number of employees.

### *How will Measure P impact the taxes business owners currently pay?*

Some businesses will see a decrease in taxes paid while others will see an increase. If Measure P is approved, business tax rates for professionals and personal services and corporate headquarters in Beverly Hills will still remain lower than such tax rates in Los Angeles.

### *What assurances do voters have that funds will be spent properly?*

Beverly Hills has a reputation for conservative and effective fiscal planning and is proud to have earned the prestigious AAA bond rating by all three national rating agencies. The City is legally required to conduct an independent annual audit of all City revenues and expenditures. Funding from this measure will be included in the annual audit. The City budget is a public document and is available on-line for review.

### *Will local public schools continue to receive City funding?*

The City of Beverly Hills has a longstanding partnership with local public schools. Specifically, the City has an agreement with the Beverly Hills Unified School District that helps support many school programs and activities. Revenue from Measure P will support the City's ability to continue to fund the agreement.

### *Can funds be taken away by the State?*

Measure P funds cannot be taken away by the State. All funds will stay local and will be used to provide services and programs that support the quality of life in Beverly Hills.

### *When can I vote on Measure P?*

Measure P is on the March 3, 2009 ballot. All voters registered in the City of Beverly Hills can vote on this measure. Absentee ballots will be mailed to voters 29 days before the election.

### *Where can I find additional information?*

Please visit www.beverlyhills.org.

## Important Information on Measure P:

Measure P will revise certain business taxes in Beverly Hills.

The current tax on oil companies, established over 30 years ago, assesses a flat rate per barrel. Measure P links the tax to the price of oil, not the flat rate per barrel.

Businesses that provide professional services, personal services or operate a commercial parking operation in Beverly Hills are currently charged a flat fee based on the number of people they employ. This measure will change the method for calculating the tax so that it is based on gross receipts. With this change, businesses would pay an amount proportional to the revenue they generate, and all professional and personal service business taxes would be lower than those in Los Angeles.

Measure P will generate funding for general City services in Beverly Hills, including:

- *Maintaining police protection*
- *Preserving firefighting, paramedics and rapid emergency response*
- *Continuing the City's agreement that helps support Beverly Hills schools*
- *Paving, maintaining and reparing local streets*
- *Keeping parks and other public areas clean, landscaped and well-maintained*

## Election Day is March 3rd

**This information is provided by the City of Beverly Hills to educate and inform residents about Measure P.**

City *of* Beverly Hills
Communications Office
455 North Rexford Drive
Beverly Hills, CA 90210-4817

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Beverly Hills, CA
Permit No. 295

# Measure P

**1. What is Measure P?**

Measure P is a ballot measure appearing on the March 3rd ballot that, if approved, will revise the method used to calculate certain business taxes. Funds from Measure P will help to maintain general City services such as police and fire protection, road repair and maintenance, parks and public space and the City's agreement with local public schools.

**2. Why is the City of Beverly Hills proposing an increase in taxes in difficult economic times?**

The City Council began evaluating options to address the City's looming budget crossover (expenses exceeding revenues) in 2007. With or without the current recession, the City must address this crossover as part of prudent financial planning and to ensure the City continues to deliver the level of services this community has come to expect.

If approved by the voters, these revisions would not go into effect until calendar year 2010. Ballot measures of this nature can only be placed on electoral ballots every two years, concurrent with City Council elections. Therefore if these taxes are not approved by the voters, the next opportunity for consideration would be the election in 2011, in which case the taxes would not go into effect until 2012.

**3. City leaders have been quoted as saying that the City is in solid financial shape. Why is a tax increase needed?**

Given the current economic situation, it is important to plan based on the most recent financial projections. The City anticipates a 5-10% decline in revenues due to the recession and in fact, the latest data received suggests a downtrend in TOT and retail sales. Given this expected decline, and the forecasts of most economists, the City must plan in order to continue to deliver City services at the level this community has come to expect.

**4. Were other options considered besides increasing taxes?**

The City has three options – raise taxes, cut services or expand the City's economic base. To solicit the priorities of voters in Beverly Hills, the City conducted a statistically-valid survey. The vast majority of voters considered maintaining City service levels to be the highest issue in the community (86%), substantially more important than the issue of preventing local tax increases (52%). Residents surveyed supported an increase in taxes, with a preference for an increase in business taxes, rather than cutting City services.

**5. Why are three unrelated tax categories bundled in one ballot measure?**

Given this tangible feedback from the survey with residents saying that they overwhelmingly supported taxing businesses as opposed to cutting services, the City developed a package of tax options to provide the necessary revenue to maintain City services at the level this community has come to expect. The City made every effort to ensure that proposed taxes remained equal or less than those of adjacent cities, including Los Angeles.

**6. Will the proposed business taxes impact all businesses in Beverly Hills?**

A majority of businesses in Beverly Hills will not be impacted. Of those impacted by Measure P, some businesses will pay fewer taxes, others more. These taxes are not new; they reflect a revision in how businesses are taxed. The tax rate of all three types of taxes remains at or lower than neighboring communities.

7. **Are these new taxes?**

No, Measure P proposes an adjustment in three categories of taxes, not new taxes:

Oil extraction taxes:

- Oil extraction is currently taxed in Beverly Hills, but the tax structure has not been updated for over three decades, in which time there has been a dramatic increase in oil prices. Currently, oil extraction is taxed on a fixed per barrel basis; under Measure P, the tax would be linked to the price of oil.

Business taxes:

- Businesses categorized as Headquarters and as Service providing organizations have been taxed in the same manner in the past. Measure P proposes splitting the two classifications so that businesses are taxed more appropriately and fairly.
- Businesses defined as Headquarters are already paying a Headquarters tax. The tax is currently based on the company's number of employees. Under Measure P, these corporate operations will be taxed on gross payroll for employees in the City of Beverly Hills only. This is easier for the companies to calculate and easier for the City to audit.
- Businesses defined as Service providers will be taxed based on gross receipts earned in Beverly Hills, just as most other businesses in the City are taxed.

***The changes to business taxes have been designed to be equal or less than in competing cities.***

Parking taxes:

- Measure P proposes changing from the current rate to a 10% tax on the gross receipts of businesses operating a commercial parking structure or lot.
- Most retailers in the City do not have parking facilities and depend on the City's parking structures, which provide two hours of free parking. Many of the larger office buildings, which house businesses and medical offices, charge relatively high rates, forcing patrons to park at the lower-priced City lots or in residential neighborhoods, which results in the City absorbing the parking impacts of these businesses. The proposed tax would result in commercial parking operators paying their fair share for the cost of providing parking.

***The parking taxes proposed by Measure P will remain at a rate equal to or less than adjacent cities.***

# CLASS CODES - A

## "A" - Business and Personal Services

**RATE**

**FISCAL YEAR AUG. 2003/JUNE 2004**

| | |
|---|---|
| BASE TAX & 1ST 2080 HRS. | $ 193.81 |
| EACH ADDITIONAL HOUR OF EMPLOYEE PAYROLL | $0.04060 |
| (NO PRORATION) | $ 84.45 |

| | |
|---|---|
| Accupressure (Massage Permit Required) | 7309 |
| Addressing Service | 7331 |
| Administrative Office | 7334 |
| Adult Entertainment (I.D. Card Required) | 7503 |
| Ambulance Service | 4118 |
| Auto Body Repair | 7544 |
| Barber Shop | 7241 |
| Beauty Shop | 7231 |
| Bookkeeping Service | 8933 |
| Bowling Alley w/o Alcohol Beverages | 7933 |
| Building Cleaning | 7349 |
| Building Maintenance | 7350 |
| Burglar Alarm Maintenance & Monitoring (Security Alarm Companies) | 7385 |
| Business Services & Offices, Noc | 7393 |
| Car Wash | 7542 |

Classification that ends with "88" indicates an R-1, Home Business

Class A
Business and Personal Services
(Continued)

| | |
|---|---|
| Carpet & Upholstery Cleaner on Site | 7218 |
| Clock & Watch Repair | 7631 |
| Clothing Alteration & Repair | 7219 |
| Commercial Photography | 7323 |
| Contractor(Serv)-Install/Maint/Repair | 7344 |
| Cosmetician (Body Waxing) | 7235 |
| Cosmetology | 7239 |
| Computer Hardware Service | 7374 |
| Court Reporter | 7339 |
| Delivery & Pick-up Service Local | 4212 |
| Detailing Cars | 7543 |
| Diamond Setter/Jeweler | 7633 |
| Dry Cleaner-Retail (Fire Dept. Inspection for fumes) | 7216 |
| Electrolysis (No Massage Permit Required) | 7237 |
| Escort Service (Regulatory Permit) | 7302 |
| Esthetician | 7236 |
| Exercise Studio | 7301 |
| Exterminating Service | 7342 |
| Facialist | 7234 |
| Fire Extinguisher Service | 7343 |
| Furniture Cleaning | 7217 |
| Gardener | 8811 |
| General Warehousing & Storage | 4225 |
| Hairdresser | 7232 |
| Handbag Repair | 7252 |
| Handbill Distribution (Commercial) Residential areas) | 7319 |
| Handyman | 7351 |

Class A
Business and Personal Services
(Continued)

| | |
|---|---|
| Health Clubs or Spas | 7306 |
| Illustration | 7335 |
| Interior Decorators | 8991 |
| Interior Decorators - R-1 | 8998 |
| Interior Designers | 8995 |
| Interior Designers - R-1 | 8937 |
| Introductory Service (Regulatory Permit) | 7304 |
| Jewelry Repair | 7632 |
| Laboratory, Dental | 8072 |
| Laboratory, Research & Develop | 7391 |
| Laundry Family & Commercial | 7211 |
| Limousine and Sightseeing Services (Permit-Transp.) | 4119 |
| Mail Order, P.O. Box Business | 8996 |
| Mail Order R-1 | 8996 |
| Mailing Service | 7332 |
| Manicurist | 7233 |
| Manufacturers Rep. (No Merchandise) | 8992 |
| Market Research | 7388 |
| Masseur (Regulatory Permit Required) | 7303 |
| Massage Parlor (Regulatory Permit Required) | 7307 |
| Miscellaneous similar type businesses which are not spec. designed herein | 7300 |
| Motion Picture & Tape Distribution TV (Filming Permit) | 7824 |
| Motion Picture Production TV | 7814 |
| Newspaper/Publishing & Printing | 2711 |
| Parking Lot (I.D. Cards) | 7523 |

**Class A**
**Business and Personal Services**
**(Continued)**

| | |
|---|---|
| Parking Structure (I.D. Cards) | 7525 |
| Pay Telephone | 4812 |
| Personal Credit Assoc. NOC | 6149 |
| Photography | 7324 |
| Postal Center | 7333 |
| Printing & Duplication | 7341 |
| Private Investigators | 7386 |
| Private Police Patrol (Regulatory Permit) | 7395 |
| Pub Off (Books & Magazines) | 2731 |
| Publishing & Music | 2741 |
| Radio & TV Repair | 7622 |
| Real Estate Operators & Developers | 6614 |
| Refuse & Disposal Service (Permit required) | 4213 |
| Rentals, Tools, & Equipment | 7394 |
| Sales Promotion | 7392 |
| School - Auto Driving | 8300 |
| School - Business | 8244 |
| School - Dancing & Recreational | 8301 |
| School - Music | 8299 |
| School - Vocational | 8211 |
| Shoe Repair Shop | 7251 |
| Sign Painter | 8990 |
| Software Consultant | 7372 |
| Software Consultant - R-1 | 7379 |
| Solicitors - Other (Regulatory Permit) | 5963 |
| Sports Promoter | 7941 |
| Stenographic Service | 7340 |

**Class A**
**Business and Personal Services**
**(Continued)**

| | |
|---|---|
| Subcontractor | 7344 |
| Surveyor | 8915 |
| Swimming Pool Maintenance | 8993 |
| Taxi Cab Company (Transportation Permit) | 4121 |
| Telephone Answering Service (Regulatory Permit) | 4811 |
| Temporary Help Service | 7363 |
| Theaters (Motion Picture & Stage) | 7832 |
| Towing Service (Regulatory Permit) | 7549 |
| Tree Trimmers | 0783 |
| Valet Parking (Transportation Permit) | 7308 |
| Vending Machine Rentals | 5746 |
| Web Page Design | 7371 |
| Web Site Internet Serv Providers | 7377 |
| Writer | 7345 |

# CLASS CODES - B

## "B" Retail & Wholesale

**NO PRORATION**

**$ 75.00 Min. up to $60,000 Gross Receipts**

**$ 0.00125 per $1,000 over $60,000 Gross Receipts**

| | |
|---|---|
| Aircraft Sales | 5953 |
| Antique Stores | 5932 |
| Art Galleries | 5999 |
| Art Goods Shops | 5947 |
| Art Goods/Spec Int'l Expo | 5947 |
| Auto Dealer (New) | 5511 |
| Auto Specialties (Tires, Batteries, Etc.) | 5532 |
| Automotive Repair Shops - General | 7538 |
| Auto or motor vehicle Leasing (C.U.P. required from Planning) | 7512 |
| Book & Magazines Stores | 5951 |
| Camera Shops | 5956 |
| Caterers | 5814 |
| Catering Trucks (Regulatory Permit required) | 5966 |
| Cigar Shop with related accessories | 5998 |
| Cigar Stores & Stands | 5997 |
| Clothing & Apparel Stores, Misc. | 5651 |

Classification that ends with "88" indicates an R-1, Home Business.

**Class B**
**Retail & Wholesale**
**(Continued)**

| | |
|---|---|
| Clothing - Childrens | 5641 |
| Clothing - Furriers & Fur Shop | 5681 |
| Clothing - Infants Wear | 5642 |
| Clothing - Men's & Boys Clothing | 5612 |
| Clothing - Men's Custom Tailors | 5693 |
| Clothing - Women's Apparel Accessory Stores | 5631 |
| Clothing - Women's Custom Tailoring | 5691 |
| Clothing - Women's Dress Ready-To-Wear | 5621 |
| Clubs (Private) (Conditional Use Permit - Regulatory Permit) | 5817 |
| Computer Software Sales | 7383 |
| Computer Hardware Sales | 7380 |
| Cosmetics | 5899 |
| Custom Made Furniture Sales | 5712 |
| Department Stores Major | 5311 |
| Drug Stores w/Prescriptions | 5912 |
| Family Shoe Stores | 5661 |
| Firearm Sales - Retail (Permit and License Issued by Police Dept.) | 5942 |
| Firearm Sales -Wholesale (Permit and License Issued by Police Dept.) | 5943 |
| Floor Covering Stores | 5715 |
| Flowers | 5992 |
| Food - Bakery Goods | 5462 |
| Food - Candy & Nuts Shops | 5964 |
| Food - Drinking Places | 5812 |
| Food - Fruit & Vegetables | 5431 |
| Food - Grocery Stores | 5413 |

**Class B**
**Retail & Wholesale**
**(Continued)**

| | |
|---|---|
| Food - Liquor - Off Premise Sale | 5923 |
| Food - Meat, Poultry, Fish | 5423 |
| Food - Restaurant & Deli | 5815 |
| Food Stores, Misc. | 5813 |
| Gasoline Service Stations | 5541 |
| Gift Shops | 5948 |
| Graphic Artist | 7336 |
| Graphic Artist R-1 | 7337 |
| Hardware Stores | 5251 |
| Home China, Glassware, Silver, Metalware | 5719 |
| Home Draperies & Upholstery | 5716 |
| Home Household Appliances | 5724 |
| Household Furniture Stores | 5713 |
| Import/Export | 8994 |
| Jewelry Stores | 5955 |
| Liquor Stores | 5924 |
| Lumber & Building Materials | 5211 |
| Machinery Leasing | 5702 |
| Manufacturing | 3990 |
| Manufacturing (Equipment Sales R-1) | 3999 |
| Milk & Dairy Products | 5965 |
| Misc. Aircraft, Marine & Mach Dealer | 5953 |
| Miscellaneous Retail Stores | 5993 |
| Miscellaneous Retail (R-1) | 5996 |
| Miscellaneous Wholesale | 5099 |
| Music & Record Stores | 5733 |
| News racks - Coin Operated (Regulatory Permit) | 5962 |

**Class B**
**Retail & Wholesale**
**(Continued)**

(Send to Public Works first)

| | |
|---|---|
| Nurseries | 5261 |
| Office Equipment | 5994 |
| Optical | 8044 |
| Paint Stores | 5231 |
| Patents, Sale & Licensing | 5995 |
| Pawnshops (Regulatory Permit) | 5738 |
| Peddlers (Regulatory Permit) | 5963 |
| Pet Shop (Regulatory Permit) | 5968 |
| Printing & Duplicating | 2751 |
| Radio & Television Stores | 5732 |
| Rent-A-Car Service | 7513 |
| Rental & Leasing - Furniture | 5714 |
| Sporting Goods Stores | 5941 |
| Stationery Stores | 5952 |
| Telephone Time Sales | 8997 |
| Variety Stores-General | 5332 |
| Wallpaper Stores | 5232 |
| Wholesale Jewelry | 5945 |
| Wholesale Miscellaneous | 5099 |

# CLASS CODES - C

## "C" - Professional & Semi-Professions

RATE

| | AUG. 2003 - JUNE 2004 |
|---|---|
| Base & 1st 2080 hours of Prof. hours | $1,077.31 (NO PRORATION) |
| Each add. hr. of prof/semi payroll hours | $0.51794 (NO PRORATION)<br>1,077.31 |
| Ea. hour of Non-Prof. employee payroll | 216.42<br>$0.10405 (NO PRORATION) |

| | |
|---|---|
| Accounting | 8931 |
| Acupuncture | 8051 |
| Ambulatory Surg. Ctr. | 8082 |
| Anesthesiologist | 8053 |
| Architectural | 8912 |
| Attorney | 8011 |
| Auditing | 8932 |
| Chiropodist | 8050 |
| Chiropractor | 8041 |
| CPA | 8934 |
| Dentist | 8021 |
| Engineer, Chemical | 8913 |
| Engineer, Civil | 8914 |

Classification that ends with "88" indicates an R-1, Home Business.

**Class C**
**Professional & Semi-Professional**
**(Continued)**

| | |
|---|---|
| Engineer, Electrical | 8919 |
| Engineer, Mechanical | 8916 |
| Engineer, Structural | 8917 |
| Engineer Petroleum | 8918 |
| Engineering | 8910 |
| Geologist | 8911 |
| Hypnotherapist | 8017 |
| Medical Clinic | 8086 |
| Ophthalmology | 8045 |
| Optometrist - Dispensing | 8046 |
| Optometrist - Non Dispensing | 8043 |
| Osteopathic Physician | 8031 |
| Other Prof & Semi Prof not otherwise specified or design herein | 8999 |
| Para Legal | 8013 |
| Pharmacist | 8014 |
| Physician | 8012 |
| Physiotherapist | 8052 |
| Podiatrist | 8015 |
| Programming Service | 7373 |
| Psychiatrist | 8018 |
| Psychologist | 8049 |
| Psychotherapist | 8016 |
| Radiology - Medical Imaging | 8084 |
| Speech Defect Clinic | 8081 |
| Veterinary Service for Animal Spec. (Permit Required) | 0742 |

## CLASS CODES D. E. & F.

## NO PRORATIONS

### "D" - Auto Dealer

$255.00 Min. up to $85,000 Gross Receipts

$0.00300 per $1,000 above $85,000 Gross Receipts

| | |
|---|---|
| Car Dealers (Used) C.U.P. req'd. from Planning | 5512 |

### "E" - Rental of Residential Property

$0.01200 per $1,000 Gross Receipts

| | |
|---|---|
| Apartment Houses | 7021 |
| Hotels & Inns w/o Liquor (Transient Tax Due) | 7011 |
| Rooming Houses | 7022 |
| Senior Assisted Living (Housing for Elderly) | 7024 |
| Single Family Residential | 7023 |

### "F" - Rental of Commercial Property

$0.02350 per $1,000 Gross Receipts

| | |
|---|---|
| Commercial Property | 6519 |
| Commercial Property (Sub-Lease) | 6521 |
| Ground Lease | 6520 |

Classification that ends with "88" indicates an R-1, Home Business.

## CLASS CODES - G

### "G" - Agencies, Lenders, Brokerages & Other Service

**NO PRORATION**

$175.00 Min. up to $50,000 Gross Receipts

$0.00350 per $1,000 Gross Receipts

| | |
|---|---|
| Advertising Agency | 7311 |
| Agencies - Brokers Misc: NOC | 6221 |
| Aircraft Leasing | 7400 |
| Appraisers - Commodity | 6223 |
| Appraisers - Real Estate | 6533 |
| Artist or Talent Agent | 7923 |
| Auction House (Transportation - Parking Restrictions) | 7924 |
| Auctioneer | 7384 |
| Bail Bondsman | 7396 |
| Broker - Commodity & Dealers | 6222 |
| Broker - Insurance | 6413 |
| Broker - Misc, NOC | 6221 |
| Broker - Mortgage | 6163 |
| Broker - Pawn | 5739 |
| Broker - Real Estate | 6531 |
| Broker - Stock & Bond Brokers & Dealers | 6211 |
| Business Management, Consultant | 7387 |
| Collection Agency | 7321 |
| Credit Counseling | 7322 |

Classification that ends with "88" indicates an R-1, Home Business.

**Class G**
**(Continued)**

| | |
|---|---|
| Employment Agency - Domestics | 7362 |
| Employment Agency - Professional | 7361 |
| Environment Consultant | 4971 |
| Escrow Agent Real Estate | 6532 |
| Factoring, Business Financing | 7926 |
| Finance Companies | 6145 |
| Fortune Tellers/Psychic (Regulatory Permit Required) | 7999 |
| Funeral Parlors | 7261 |
| Interactive Transmission of music over comp. network | 7376 |
| Investment Counselor | 6281 |
| Machinery Leasing | 7925 |
| Management (Personal) | 7398 |
| Marketing | 7313 |
| Marketing Services - Computerized/Internet | 7378 |
| Non-Intractive Trans. of Music over Comp. Network | 7375 |
| Promoter | 7402 |
| Property Management | 6512 |
| Public Relations | 7399 |
| Real Estate, Insurance, Loans, Law | 6611 |
| Real Estate Investment | 6613 |
| Real Estate Salesperson | 6612 |
| Satellite T.V. Provider | 4899 |
| Ticket Agencies | 7922 |
| Travel Agencies | 4722 |
| Wireless Communications (Commission Sales) | 7401 |

Classification that ends with "88" indicates an R-1, Home Business.

## CLASS CODES - I

### "I" - Oil Production

| Outside City | Inside City |
|---|---|
| $1,585.04 min. up to 10,000 barrels | $3,181.97 min. up to 10,000 barrels |
| $ 0.11 per each additional barrel | $ 0.30 per each additional barrel |
| Producers Oil & Gas Field Serv NOC | 138900 |

## CLASS CODES - Z

## TAX EXEMPT

| | |
|---|---|
| Banking Related Est. (NOC) | 6022 |
| Charity | 8399 |
| Child Care Center | 8351 |
| Church | 8661 |
| Commercial Bank Nat. Member FRS & FDIC | 6022 |
| Counseling Office - Professional | 8221 |
| Fraternal Organization | 8641 |
| Insurance Agent | 6411 |
| Life Insurance Companies | 6311 |
| Religious School | 8661 |
| School Preparatory | 8211 |

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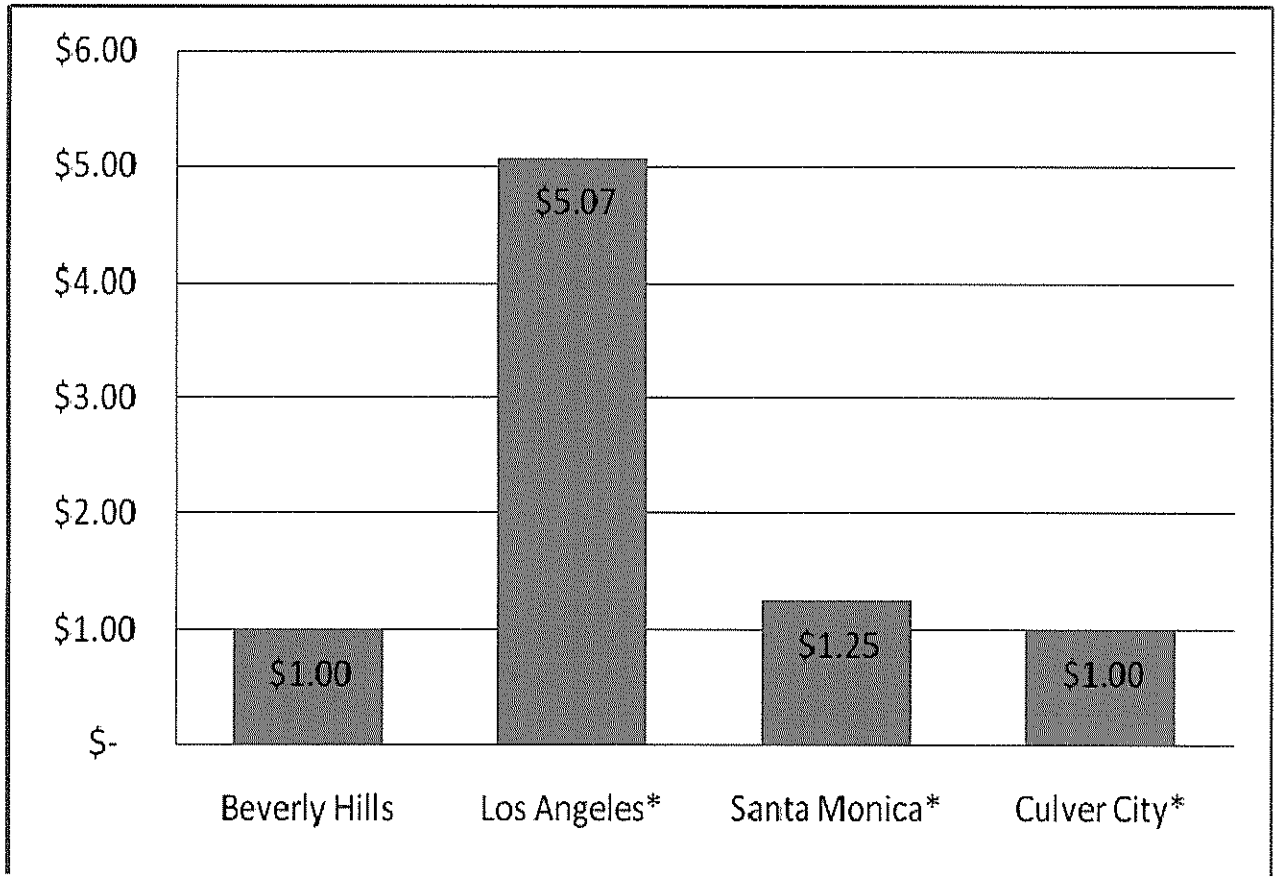
# Measure P Proposed Business Tax Changes

**Business and Personal Services -** Travel agents, dry cleaners, beauty salons, pool maintenance and repair, gardeners and other businesses that provide personal services




**Business and Personal Services (Taxes per $1,000 of Gross Receipts)**

***These cities require a utility users tax, whereas Beverly Hills does not**

# Measure P Proposed Business Tax Changes

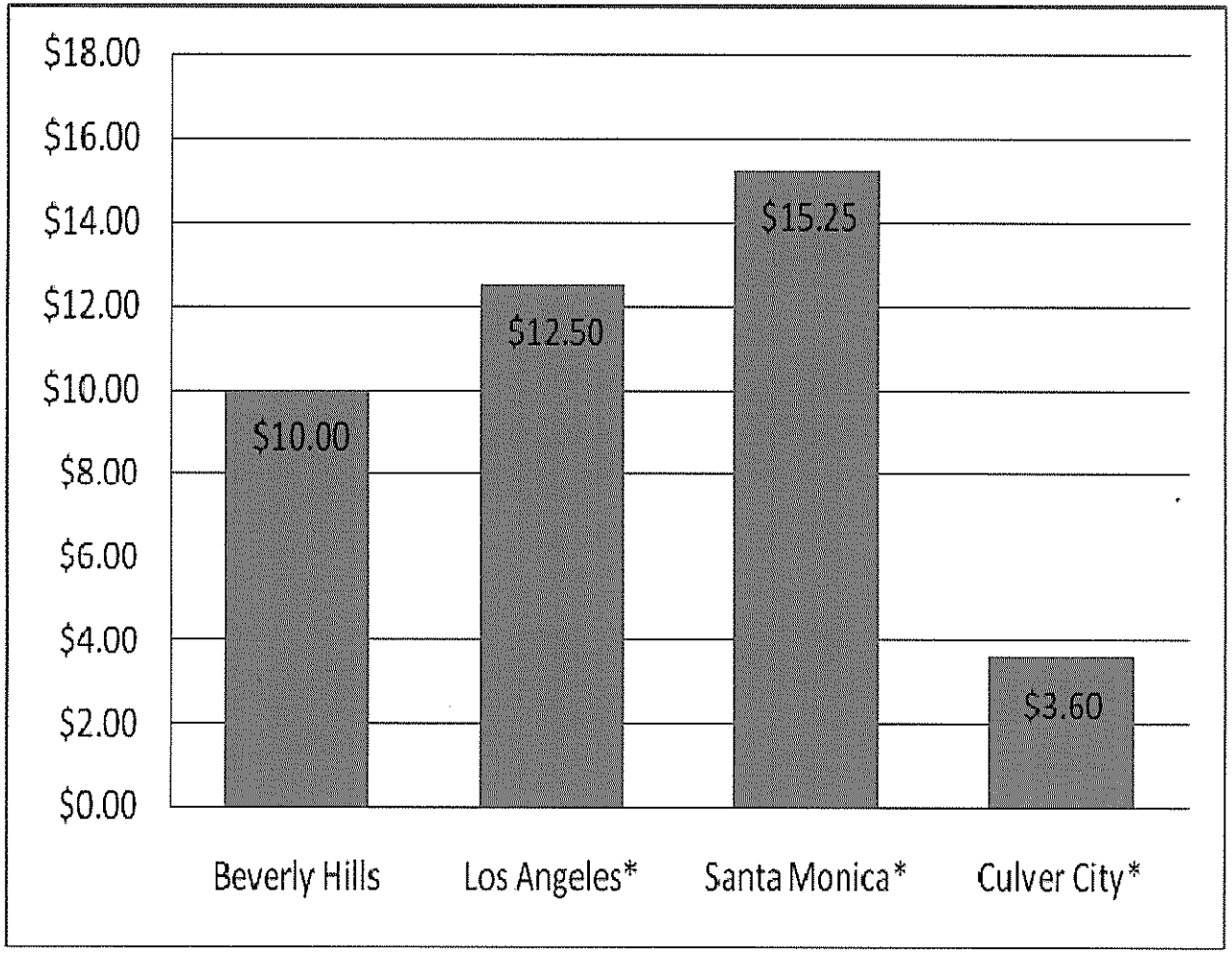
**Professionals -** Accountants, lawyers, doctors and other businesses providing professional services

**Professionals (Taxes per $1,000 of Gross Receipts)**

***These cities require a utility users tax, whereas Beverly Hills does not**

# Measure P Proposed Business Tax Changes

## Commercial Parking Operations




**Commercial Parking (Taxes per $1,000 of Gross Receipts)**

***These cities require a utility users tax, whereas Beverly Hills does not**