

Attachment 2



CITY OF BEVERLY HILLS

Administrative Services

MEMORANDUM

TO: Jeff Kolin, City Manager
FROM: Mark Brower, Utility Billing & Customer Services Manager
DATE: January 3, 2014
SUBJECT: City Treasurer's Information Request

Attached is the information requested by and provided to the City Treasurer. This report shows that Doctors account for roughly 5.5% of the City's business tax revenue. Don Rhoads reviewed the document before it was distributed and requested I provide you a copy.

This information will likely be referenced by Eliot during the City Council meeting on Tuesday, January 7, 2014.

Please let me know if you have any questions.

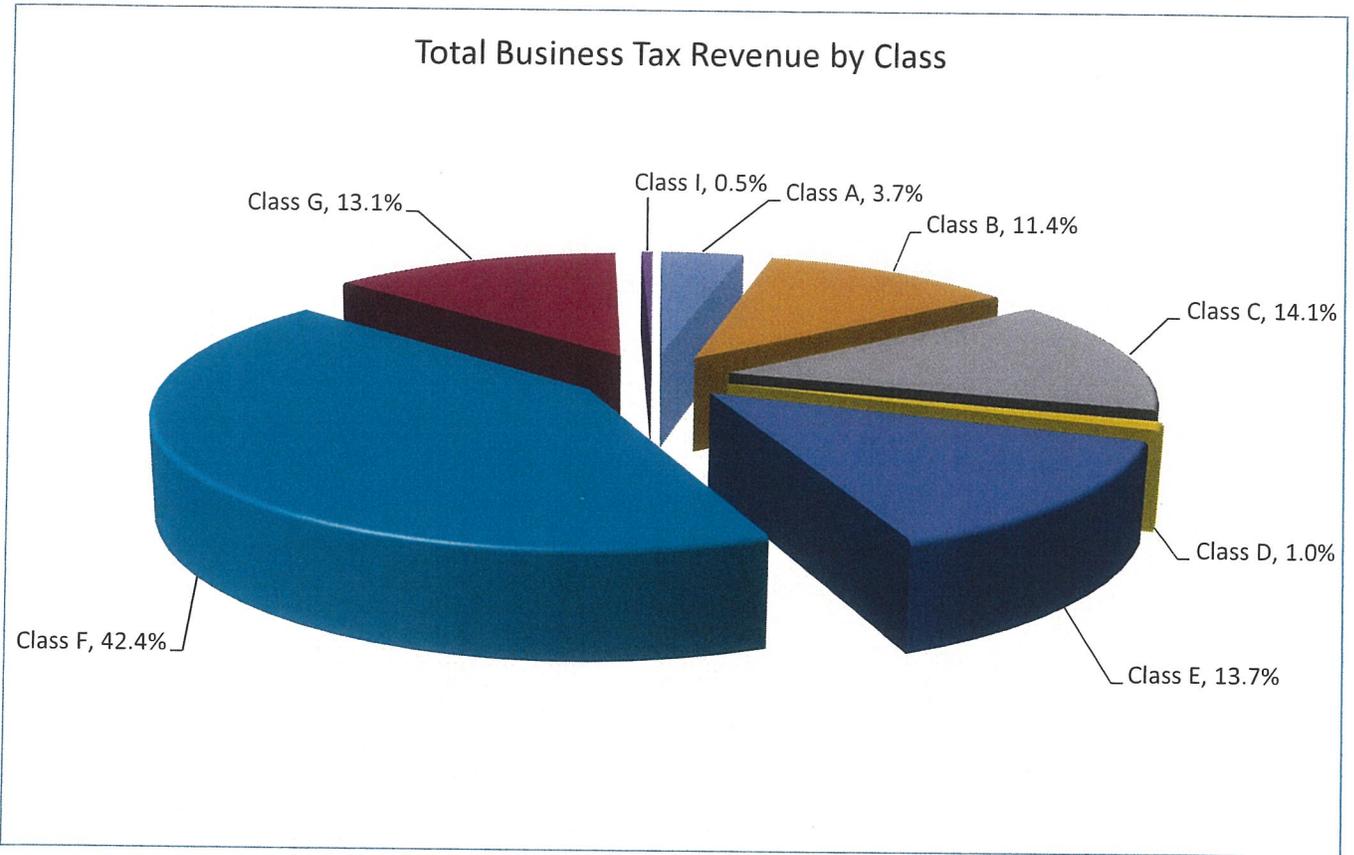


City of Beverly Hills

2013 Business Tax Renewal Report

Extrapolation of "C" Class Business Tax
Revenues Related to Medical Doctors

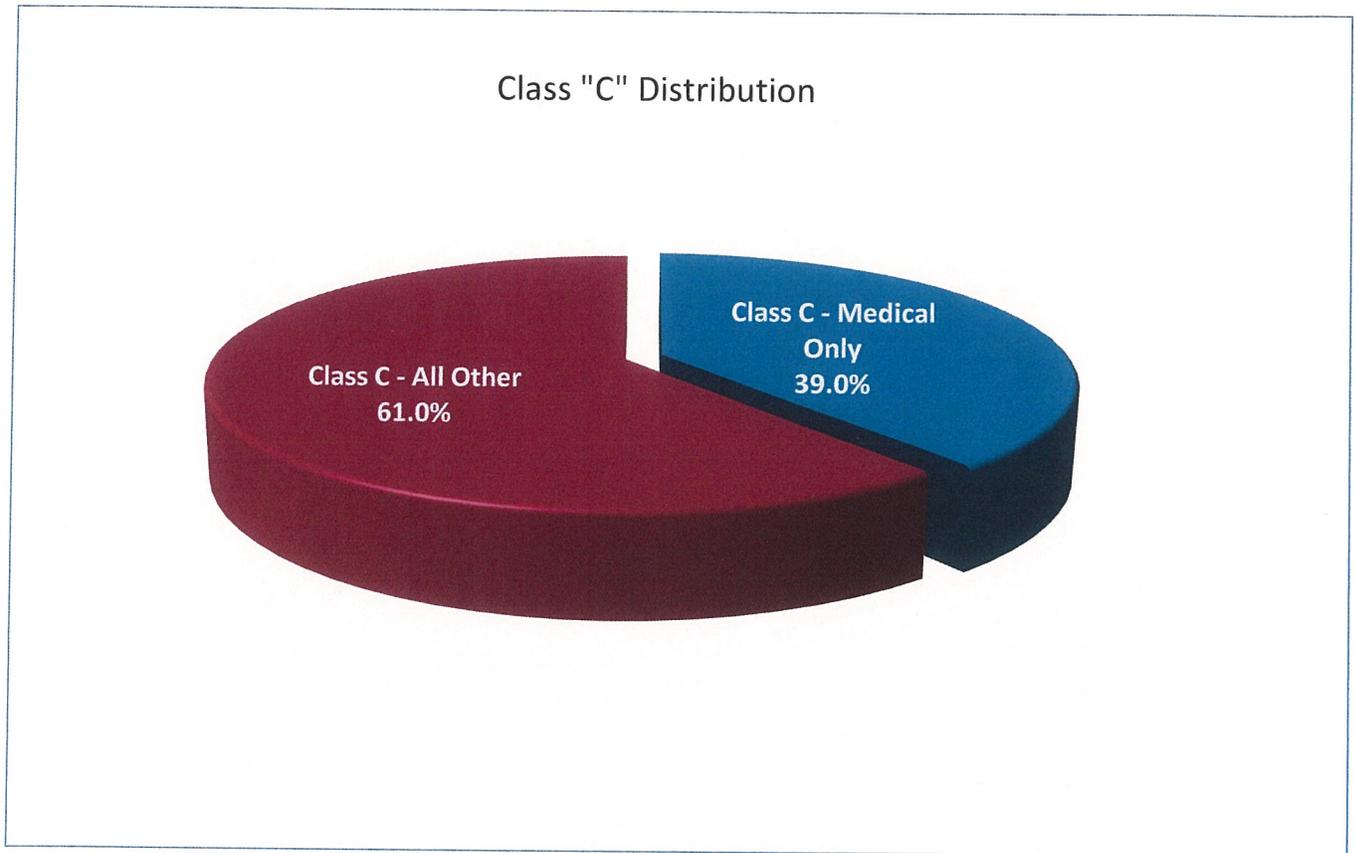
Business Tax Overview Calendar Year 2013



Class Code	Total	Number of Renewals
A	\$1,345,758.11	2,931
B	\$4,210,487.97	1,511
C	\$5,179,784.92	1,992
D	\$364,896.36	9
E	\$5,058,546.56	1,126
F	\$15,619,500.66	553
G	\$4,833,079.98	769
I	\$184,985.84	55
Totals	\$36,797,040.40	8,946

*Unaudited Data

2013 Class C – Distribution: Medical Related



Detailed Analysis of Medical Only Classification "C" Accounts

Class C	Total	Number of Renewals
Medical Only Tax From Professionals (C)	\$1,589,054.54	797
Medical Only Tax From Non-Professional (C1)	\$432,921.01	448
Medical Only Subtotal	\$2,021,975.55	-
All Other Business Types within the "C" Classification	\$3,157,809.37	
TOTAL	\$5,179,784.92	

*Unaudited Data

Distribution Discussion

The Class "C" distribution amounts indicated above is derived from active business tax accounts that filed and paid during and for the 2013 tax year.

In order to obtain the total revenues associated with medical doctors, other professionals were removed from the total 2013 "C" class revenues of approximately \$5.18M. Items excluded from consideration were non-medical related registrations that are taxed under the same category such as accountants and attorneys.

Additionally, medical related registrations such as pharmacies, medical laboratories, and psychologists were also removed.

The balance of \$2.02M was itemized by tax amounts paid for professional (C) and non-professional (C1) which are calculated based on payroll hours. Using estimates based on average hours worked and taxes paid, it can be assumed that the \$2.02M of revenues were based on businesses employing 1,125 licensed medical doctors and 1,541 non-professional full time employees.

Key Items of Note

- The data used in the analysis to filter based on medical doctors is largely based on an assessment of information provided by the registrants and stored within City records. This information should be treated as an estimate based on the best information available.
- Additional revenues may also be generated from these entities that are not related to business tax. This may include real and personal property taxes, sales taxes, etc.
- Instances may occur where medical professionals are required to report under multiple tax classifications such as "B" or "F". In these cases additional revenues may have been received by the City under these ancillary reporting requirements.