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Garcetti, Greuel, Cardenas Line Up to Knock Down Business Tax

Councilmember Eric Garcetti today joined his colleagues Tony Cardenas and Wendy Greuel, to celebrate the unanimous passage by Los Angeles City Council of a long-awaited business tax reform package. Under the Greuel-Garcetti package, shepherded by Cardenas through his Ad Hoc Business Tax Reform committee, 61% of small business owners will see significant tax relief. About 130,000 small businesses will benefit.

"It's good to see the Council finally putting its money where its mouth is on business tax reform," said Councilmember Garcetti. "The business community let us know that they weren't going to wait around forever. With passage today, we can finally say that we weren't going to let them."

"LA's back in business," said Cardenas. "After years of shelved tax proposals, this committee made a commitment to pass a solid tax reform plan and we've done it."

"Today is historic," said Councilmember Wendy Greuel. "Instead of having businesses working for LA's tax system, we now have a tax system working for LA's businesses. With the passage of the Greuel-Garcetti Business Tax Reform Package, we can now say Los Angeles is open for business."

Councilman Greig Smith said, "Quite simply, business tax reform is the single most important contribution that the City Council can make to prove that we are serious about attracting and retaining business in the City of Los Angeles."

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“I am proud that the entire package of business tax reforms I have been pushing for has made it farther than any previous reforms,” Mayor Jim Hahn said. “This reform package will improve Los Angeles’ business climate, create jobs and generate revenues that the city can use to hire more police and fix more streets.”

Features of the reform plan will allow business owners making \$100,000 or less will to be exempt from business tax, will allow business owners only to pay taxes on actual receipts and will no longer require them to pay taxes on payments they have not yet received, eliminating the tax on ‘bad debts.’ Entertainment industry workers classified as “talent” who make \$300,000 or less will be exempt from business tax. Medium to large businesses will see a 15% across the board reduction in city taxes.

Business owners will also be happy to know the process to file city taxes is simpler. Currently, the city has about 75 fund categories. With the passage of the committee’s report, those categories will be consolidated to seven.

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