

ORDINANCE NO. 178101

An ordinance amending Article 1, Chapter II of the Los Angeles Municipal Code to revise the business tax provisions.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The title of Article 1 of Chapter II of the Los Angeles Municipal Code is amended to read:

ARTICLE 1. BUSINESS TAXES

Sec. 2. A new Section 21.33 with a Tax Rate Table is added to the Los Angeles Municipal Code to read:

Unless specifically listed under other areas of this article, the annual tax rates are as follows:

- (a) Tax Rate A shall be \$1.09 for each \$1,000.00 of gross receipts or fractional part.
- (b) Tax Rate B shall be \$1.37 for each \$1,000.00 of gross receipts or fractional part.
- (c) Tax Rate C shall be \$2.76 for each \$1,000.00 of gross receipts or fractional part.
- (d) Tax Rate D shall be \$3.42 for each \$1,000.00 of gross receipts or fractional part.
- (e) Tax Rate E shall be \$3.85 for each \$1,000.00 of gross receipts or fractional part.
- (f) Tax Rate F shall be \$5.50 for each \$1,000.00 of gross receipts or fractional part.

Sec. 3. Sections 21.143, 21.197, 21.189.3, and 21.189.4 of the Los Angeles Municipal Code are repealed and a new Section 21.41 is added to read:

SEC. 21.41. GROSS RECEIPTS FUND CLASS 1.

For every person engaged in business as a Child Care Provider, Multimedia Business, Telephone Company, Tugboat and/or Barge Operator, Tax Rate A, set forth in Section 21.33(a) shall be applicable.

(a) CHILD CARE PROVIDERS.

1. A child care provider means providing non-medical care for children under 18 years of age in need of personal services, supervision or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis.

2. As used in this section, the term "gross receipts" does not include receipts of:

(i) Community chests, funds, foundations or corporations organized and operated for religious, hospital or charitable purposes, not conducted for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual;

(ii) Non-profit secondary schools, which are duly accredited by the University of California, and receipts of non-profit elementary schools in which instruction is given to students in the pre-primary and primary grades in the several branches of studies required to be taught in the public schools of the State of California;

(iii) Rotary, Kiwanis and Lions Clubs, non-profit automobile clubs, chambers of commerce, and other community service organizations; also receipts of trade associations such as Merchants Plumbers Association, Merchants and Manufacturers Association and labor organizations.

(b) MULTIMEDIA BUSINESSES.

1. A multimedia business means a business that produces films, disks, tapes, software or other recording devices, whether visual or audio, through the integration of two or more media, which media include, without limitation, computer generated graphics and video, film, slides, video tapes, audio tapes and photographs or provides computer programming services on a contract or fee basis to the producer of these media. These services shall include computer software design and analysis, modification of custom software, digital imaging and other related programming services, the development of online and internet services and the design of web sites for clients.

2. A multimedia business shall not include a business that utilizes multimedia to sell goods or further its business, motion picture, television or radio producers, or radio or television broadcasters, or an adult entertainment business, as defined in Section 12.70 B of this Code.

(c) TELEPHONE COMPANIES.

