



Legislation Text

File #: 15-245, Version: 1

Staff Report for Ordinances Amending the San Leandro Municipal Code Relating to Proposed Adjustments to Business License Tax, the Emergency Medical Services Taxes, and the Emergency Communication System Access (9-1-1) Tax for 2015-16

**SUMMARY AND RECOMMENDATIONS**

Staff recommends the City Council approve the proposed adjustments to Business License tax, the Emergency Medical Services (EMS) tax, and the Emergency Communication System Access (9-1-1) tax in accordance with the San Leandro Municipal Code. Proposed ordinances amending each of the three tax schedules are being presented to the City Council for approval as part of the 2015-16 budget approval process.

**BACKGROUND**

As a part of the budget process, the City determines the annual change in the Consumer Price Index (CPI) and applies this increase to the business license tax schedule, the EMS tax schedule, and the 9-1-1 access tax schedule as allowed by the San Leandro Municipal Code Sections 2-2-500, 2-13-140, and 2-18-210. If approved by the City Council, the following proposed adjustments to the City's tax rate schedules for business license taxes, EMS taxes, and 9-1-1 access taxes would be effective July 1, 2015.

The 2.8% increase in the Consumer Price Index (CPI), distributed by the Bureau of Labor Statistics for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco - Oakland - San Jose, is the annual average change for 2014 (January through December). In accordance with the Municipal Code, the tax schedules for business licenses, EMS, and 9-1-1 access will be adjusted by 2.8%. The unit fee for retailing, wholesaling, and manufacturing will increase to \$37.52 (per each owner and each employee) for business licenses, the single access line tax rate for 9-1-1 will increase to \$2.32, and a benefit unit tax under the EMS will increase to \$16.54.

**Fiscal Impacts**

Staff estimates that the proposed tax rate changes will generate an additional \$116,000 in General Fund revenue in 2015-16, as follows:

General Fund Taxes with CPI Increases of 2.8%:	<u>Revenues</u>
Business License Tax	\$ 89,000
Emergency Medical Services Tax	0
911 Emergency Communication System Access Tax	<u>27,000</u>
Total General Fund Tax Increase	<u>\$ 116,000</u>

**ATTACHMENT**

None

**PREPARED BY:** David Baum, Finance Director, Finance Department