



L.A. City Business Tax Reform & Customer Service Improvements Draft Position Statement

The L.A. Area Chamber applauds the efforts by the City Council and Mayor to improve the business tax code and making it easier for businesses to interact with City Hall. By working collaboratively, the city and business community can enact new strategies to hasten the economic recovery, spur long-term job creation and improve the city's overall business climate. To this end, the Chamber supports the following components to ensure the most successful outcome:

1. Form a new Business Tax Advisory Committee comprised of the most engaged, results-oriented tax experts and business leaders. Identify members who understand business needs of all sizes, how to attract emerging industries, how to evaluate potential economic impacts as well as have a working knowledge of the existing tax structure.
2. Ensure a strong "customer-first" program at City Hall. The majority of business complaints focus on rude, unresponsive or incomplete answers/information when interacting with city departments. Receiving quality service and being valued by City Hall is one of the best ways to attract and retain businesses.
3. Make it easier for businesses to learn about city services, apply for necessary licenses, and pay fees/taxes. This should include working with focus groups on how to further improve the city's business web portal (business.lacity.org), develop an effective business recruitment and outreach marketing plan, and ensure that easy-to-understand information is available at all city access points (i.e. in-person, via telephone, and on the web).
4. Enact clear guidelines for how a business is classified under the tax code and under what circumstances a reclassification may occur. Also, addressing the problem of backdated reclassification will ensure greater certainty and a fairer process for businesses.
5. Develop better criteria for determining which businesses are audited by the city. Businesses owners report being the subject of routine tax audits by the city despite being in regular compliance. The audit process is time consuming, expensive and a disincentive to do business in Los Angeles.