



Los Angeles Area
Chamber of Commerce

For Immediate Release:

April 3, 2002

Contact:

Robyn Ritter Simon
213.580.7550 Office
310.710.3112 Mobile

NEWS RELEASE

LA AREA CHAMBER SAYS: “LOCK IT UP”

The Los Angeles Area Chamber of Commerce today called upon the Los Angeles City Council to create a “Lock-Box” for business tax reform. The Chamber proposes that this lock-box contain 75% of the revenue generated from newly collected business taxes under AB 63, and that the funds in the lock-box be spent exclusively on tax reductions for business. This proposal is embodied in a motion introduced today by City Councilmember Tom LaBonge.

"We call upon the City to lock away 75% of the revenue from increased business tax collections through AB 63 in order to implement an across the board reduction in rates, pending a more comprehensive reform of the business tax," said Chamber President & CEO Rusty Hammer. The balance of the funds have already been committed to the newly established Affordable Housing Trust Fund. These proposals are being advanced by a coalition including the LA Area Chamber, the Central City Association and the Valley Industry and Commerce Association.

"High taxes are a barrier to businesses that would otherwise elect to locate their operations in Los Angeles. Too many businesses leave Los Angeles – or don't move here at all - due to high taxes, which are among the highest in the country," Hammer said.

The Chamber is also asking the city to more aggressively to pursue scofflaws by using AB63 -- legislation on which the Chamber actively lobbied -- which gives the city access to tax information relating to businesses not currently paying local business taxes.

"We now ask the city to tell us how they intend to crack down on businesses not complying with the law. We recognize the city's need for revenue. By more effectively collecting the tax, the tax burden on each business would be less," Hammer said. "We need to make L.A. more business-friendly and that means getting serious about business tax reform."

#

The Los Angeles Area Chamber of Commerce, with 1,200 members represents the interests of business. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For additional information about the Chamber, visit our Web site: www.lachamber.org.