

Simplification

Competitiveness

Certainty

Economic Growth

Entrepreneurial Capital

Civic Prosperity

Fiscal Responsibility

Revenue Enhancement

Compliance



This proposal has been developed through a process that included input from business and community organizations, the Mayor's office, Councilmembers and staff, City departments and the City's tax consultants. In particular, the Tax Reform Committee, which includes the staff of the Mayor's Office, Councilman Alatorre's Office, the office of the Chief Legislative Analyst, City Administrative Officer, City Clerk and City Controller, has been instrumental in providing much assistance, information and insight into the issues involving Tax Reform. The findings of the Tax Study, in addition to the assistance received from the above sources, played a critical role in the development of the proposal's recommendations outlined in the next section. Due to the complexity of the overall tax system, the following Business Tax Reform recommendations would not have been possible without the cooperative efforts of the many department staffs involved.

TAX REFORM

**A First Step Toward a 21st Century Business Tax System:
BUSINESS TAX REFORM RECOMMENDATIONS**



ECONOMIC GROWTH, ENTREPRENEURIAL CAPITAL AND CIVIC PROSPERITY:

Small businesses are the driving force behind Los Angeles' new economy and job growth. Firms ranging from high-tech graphic design to exporters of manufactured goods and to producers of everyday consumer goods are key to our economic health. Initiatives aimed at reducing the tax burden or simplifying the tax filing process will facilitate the growth of this vital segment of our economy.

GROWTH

FIRST YEAR BUSINESS TAX EXEMPTION FOR START-UP COMPANIES

Start-up firms are a critical component of LA's entrepreneurial economy. As such, they should be nurtured and encouraged.

It is recommended that start-up companies, with the exception of film production (see page 24), receive a Business Tax exemption during their first year of operation. These firms will only pay the \$20 filing fee necessary to process their business license. To further enhance the success of our small business community, the City should make all efforts to apprise these companies of the many excellent programs available to assist with business planning, financing and management. Therefore, brochures for the six Business Assistance Centers, Entrepreneurial Training Programs and other related services must be displayed at the Business Tax counters. By connecting new businesses with these valuable resources, their opportunity for success will be greatly enhanced.

EXEMPTION FOR BUSINESSES EARNING LESS THAN \$5,000 IN GROSS RECEIPTS

Currently, businesses earning less than \$5,000 could owe a minimum tax of as much as \$177. This is a source of great inequity within the existing system. While registering small companies is important to ensure future compliance, they should not be taxed excessively for their minimal economic activity. ***It is recommended that firms with gross receipts of less than \$5,000 be exempt from the minimum tax and be required to pay only the \$20 filing fee.***

CONTINUED EXEMPT STATUS FOR NON-PROFIT ORGANIZATIONS

Given the civic importance of non-profit organizations, they should remain exempt from the City's Business Tax.

FISCAL YEAR FILING

Currently, Business Tax filing occurs on a calendar year basis, while a substantial portion of companies keep their records on a fiscal year basis. Therefore, to file their City business taxes, these companies must go through a time consuming, burdensome and costly process to reallocate their gross receipts into the appropriate calendar year intervals. ***As recommended by Arthur Andersen and the business community, the City should alter its Business Tax filing dates to provide for fiscal year filing. It is recommended that the City Clerk develop a means to phase in fiscal year filing so that temporary revenue disruptions are minimized.***

INTER-COMPANY TRANSFERS

The business community and Arthur Andersen recommend exempting inter-company transfers from the calculation of gross receipts. Because the Tax Study provides no data on the revenue impact, nor is this data easily obtainable, an exemption of inter-company transfers is not fiscally prudent at this time. ***However, it is recommended that the City Clerk collect the necessary data and conduct further analysis to determine how the City might reasonably define and exempt inter-company transfers.***

THREE OR FOUR FACTOR APPORTIONMENT

To capture more revenue from companies located outside City limits that are conducting business in the City of Los Angeles, the City consultants recommended that a three or four factor apportionment rule be adopted. This new apportionment method would place a greater emphasis on a company's in-City sales, rather than in-City payroll or property. Extensive consultation with the business and accounting communities, as well as the City Clerk, occurred relative to this new apportionment formula. ***However, pursuing this option is not recommended given the magnitude of such a change as well as the City Clerk's existing capacity to capture tax revenues from out-of-City businesses with taxable activity within our City limits.***



SIMPLIFICATION, GREATER CERTAINTY AND INCREASED COMPETITIVENESS: THE PRIMARY INDUSTRY CODE SYSTEM

Simplifying the Business Tax system provides the greatest opportunity for making the City's system friendly to taxpayers. The system's complexity makes the tax filing process uncertain and confusing. Ultimately, this complexity increases the accounting costs for businesses and makes the auditing process more cumbersome for businesses as well as the City. As a result, the City's revenue base suffers from a high rate of non-compliance and underreporting. Simplifying the system will dramatically reduce many of these problems. The proposed Primary Industry Code (PIC) system provides a simplified tax system and minimizes taxpayer disruptions.

PIC SYSTEM

PRIMARY INDUSTRY CODE SYSTEM: GREATER SIMPLICITY WITH TAX RELIEF

This proposal recommends the replacement of the current Fund Class system with the Primary Industry Code system. By relying on a firm's primary Standard Industrial Classification (SIC), this new system will eliminate much of the ambiguity, confusion and uncertainty existing in the current Fund Class system. The SIC codes are standardized and are already widely used by firms in reporting their income to the Internal Revenue Service and to the State Economic Development Department.

Under the PIC system, a business location will pay its gross receipt tax under only one rate. That rate is determined by the Standard Industrial Classification representing the primary activity of the business. For instance, a retail department store would fall into one category, rather than as many as eight or nine categories. Therefore, all gross receipts would be taxed at one rate instead of eight or nine rates. Because companies would no longer apportion their gross receipts into different tax categories, there will be greater certainty as to the amount of taxes owed. As a result, companies will face lower accounting costs and auditing will become more efficient and straightforward for both the company and the City.

EXHIBIT 8

WHAT ARE INDUSTRIAL CODES?

Standard Industrial Classification (SIC)

This is a four-digit code system used by all levels of government and the private sector to classify specific industry activities. Companies currently report SIC codes on their federal income taxes and to the State Economic Development Department.

The North American Industry Classification System (NAICS)

All of North America will transition to the NAICS over the next 10 years. This six-digit code system accounts for modern industries and includes industries at more microlevels. Both the SIC and the corresponding NAICS codes should be approved by the voters at the same time.

TAX RATES AND TAX RELIEF

Two goals underscore the tax rate schedule detailed in the Appendix: 1) to provide broad-based tax relief; and 2) to minimize any tax increases resulting from simplification. In addition, five primary criteria were used to determine the ultimate tax rate under which an industry would fall.

These five criteria include whether:

- The industry is a key growth industry
- The industry has a job base critical to the City's economic health
- The industry has gross profit margins which correlate to the level of taxation
- The industry is critical to generating other types of City revenues
- The industry plays a critical role in furthering civic prosperity

Analysis conducted by the Tax Reform Committee shows a strong correlation between the current tax rates and the gross profit margins of industries. This correlation is largely due to the initial development of the Fund Class system, which placed higher gross profit industries in higher tax rate categories. It was also found that activities generating high sales tax or utility tax revenues, such as retail and manufacturing, are already paying at the City's lowest tax rates. Furthermore, while the City's tax code should not hinder growth industries such as multimedia, food processing, manufacturing and entertainment, these industries are already in the lowest tax categories. Some of these industries have been placed there as recently as the last few years. The industry sectors most in need of tax rate reclassifications are those which are taxed at higher rates and have a large impact on promoting civic prosperity, including social services, membership organizations, educational services and artistic endeavors.

For a detailed description of the PIC system's filing fee, minimum tax, minimum tax threshold, tax rates and industry categories, see the Appendix.

FLAT FEE BUSINESS TAXES AND TAX CAPS

Some industries currently paying flat fees should not be placed in a gross receipts category. The transient nature of certain industries will lead to tax collection and auditing difficulties. While many of the flat fee categories will disappear under the PIC system, several will remain: Amusement Parks (21.53); Circuses - temporary and permanent (21.74B and C); Side Shows, Carnivals, Circus Parades (21.75A); Public Dances (21.85) and Rides (21.94). In addition, there are a number of transportation-related activities which have their tax rates determined by other factors, such as the weight of the cargo. All such transportation-related activities currently using a special worksheet to determine their tax liability will continue to be taxed under the existing process. Under this proposal, the above named flat fees, alternate fee schedules and all other caps and flat fees related to the Business Tax will be readjusted for past inflation as deemed appropriate by the Mayor and City Council. All such fees should be considered for readjustment every four years.

NEW INDUSTRIES AND THEIR TAX RATES

In the past, new growth industries have been overtaxed because they were automatically placed in the highest tax category. To prevent this in the future, it is recommended that the City Clerk officially notify the Mayor's Office and City Council upon determining that a previously unclassified industry is, by default, falling into the highest category. At that time, the City Clerk would make a recommendation on the tax rate for this new industry based on the same criteria used to determine rates in the PIC system. Upon review and approval by the Mayor and City Council, a new tax rate would be adopted.

ENTERTAINMENT PRODUCTION

There is much confusion as to how the entertainment industry is taxed in Los Angeles. Generally, the entertainment industry is taxed just as any other industry in the tax system. A typical studio has many different functions and corporate entities located on-site. Each of these different activities is taxed on a gross receipts basis. Only designated activities related to motion picture production are taxed on the "cost of production" basis. For purposes of simplicity and equity, the taxes on the cost of production are modified as follows:

- For productions that cost between \$1 and \$50,000, all production costs will be rounded up to the \$50,000 level, equal to a tax liability of \$133.
- For productions that cost between \$50,001 and \$100,000, all production costs will be rounded up to the \$100,000 level, equal to a tax liability of \$266.

- For productions that cost between \$100,001 and \$4,500,000, all production costs will be rounded up to the nearest \$100,000 increment and taxed at a rate of \$266 per \$100,000. This results in a tax liability of \$11,970 at \$4,500,000 in production costs.
- For productions that cost between \$4,500,001 and \$30,000,000, all production costs above \$4,500,000 will be rounded up to the nearest \$500,000 increment and taxed at a rate of \$200 per \$500,000.
- Productions that cost greater than \$30,000,000 will be taxed at the \$30,500,000 level, equal to a maximum tax liability of \$22,370.
- All activities currently falling within Section 21.109 will continue to constitute the cost of production taxed at the above rates. As is currently provided, any production activity paying taxes at the aforementioned production tax rate shall not be taxed on a gross receipts basis for that activity.

EXHIBIT 9

HIGHLIGHTS OF PIC SYSTEM

- Almost all industries will face a reduced tax burden.
- \$23 million in tax relief, or an 8% tax cut, is provided.
- The top rate has been reduced nearly 9%, from \$5.91 to \$5.40.
- The minimum tax rates have been made consistent across industry sectors.
- Social services, membership organizations, educational services and artistic endeavors are reclassified into the lowest tax-rate category.

IMPLEMENTATION

Implementing this new system and the tax relief it provides must be undertaken as soon as possible. The City Clerk has advised that transitioning to a Primary Industry Code system, given the need to update Business Tax forms and reprogram the system, could not be effectively implemented until January 1, 2001. To ensure that the City utilizes the same codes as the federal government, both the SIC and NAICS codes must be approved by the voters simultaneously. As a new service to the business community, the City Clerk will provide advisory information related to a company's industrial code and tax rate. The City Clerk will maintain its current discretion in reclassifying companies that may be reporting in the incorrect tax category.





FISCAL RESPONSIBILITY, REVENUE ENHANCEMENT, COMPLIANCE AND FUTURE IMPROVEMENTS

Because the Business Tax funds critical City services such as public safety, libraries and parks, budgetary considerations played a critical role in the development of this proposal. The 1998-99 City Budget had to bridge a budget gap of \$75 million (down from \$200 million three years ago). Even with moderate economic growth, the City will continue to face budget challenges in future years. Therefore, ensuring that this proposal preserves the General Fund and important City services are primary goals. This proposal achieves the targeted balance. Increasing compliance will generate additional revenue and enable the City to provide tax relief to companies. The business community will also benefit from measures aimed at providing continuous improvement to the system.

FUTURE

**THE STATE USE TAX CREDIT:
INCREASED REVENUE AND A TAX INCENTIVE
FOR BUSINESSES**

EXHIBIT 10

WHAT IS THE "USE" TAX?
<ul style="list-style-type: none"> Companies pay an 8.25% Use Tax to the State, rather than a Sales Tax, on out-of-state purchases. The Use Tax goes to Sacramento, with 1% ultimately reverting back to Local Government. The 1% local share is then allocated to cities through a countywide pool. The City of Los Angeles receives only 33% of the total Los Angeles County pool. If a company applies for a Direct Pay Permit (issued by the State), the entire 1% of the Local Use Tax portion reverts directly to the City.

According to the Municipal Resource Consultants, the City of Los Angeles loses an estimated \$29 million annually in Use Tax revenues due to the inequitable distribution of these revenues at the local level. Current law provides that only 33% of the local portion of the Use Tax is directed back to the City of Los Angeles. However, a Los Angeles company can redirect the remaining 66% of the local portion of the Use Tax to the City by applying to the State for a Use Tax Direct Payment Permit. Unfortunately, there is no incentive for firms to undertake the administrative and accounting effort associated with this diversion.

To increase the number of companies using Direct Pay Permits, a City Business Tax credit should be offered to companies utilizing such permits. It is recommended that a City Business Tax credit equal to 20% of the net revenue gains generated from the State Use Tax be provided to businesses utilizing a Direct Pay Permit. To provide a sufficient incentive for companies with significant Use Tax liability, the credit would be applicable to the Business Tax owed or paid by the company on a five-year carry-forward or carry-back basis.

Exhibit 11 illustrates the potential gains from redirecting the Use Tax of a \$1 million equipment purchase to the City. Importantly, this tax incentive provides both the company and the City with net revenue gains. To maximize the Use Tax Revenues generated by this incentive, the City Clerk must

develop user-friendly information forms describing this credit and how to apply for it. These forms will be displayed at each Business Tax counter. In addition, the City should review whether it should support any legislative efforts that will enable local government to undertake this same process with sales tax revenues.

EXHIBIT 11

ALLOCATION OF USE TAX: CITY VS. COUNTY POOL	
Value of Company's Purchase	\$1,000,000
7.25% Use Tax Going to State	\$72,500
1% Use Tax Going to Local Government	\$10,000
<hr/>	
City Use Tax Revenue with Direct Pay Permit (1%)	\$10,000
City's Use Tax Revenue without Direct Pay Permit As Allocated Through County Pool (33% of 1%)	<u>\$3,333</u>
City's Net Use Tax Gain if Company Uses a Direct Pay Permit	\$6,666
<hr/>	
City and Business Gain with 20% Tax Credit Incentive	
City's Net Use Tax Gain.....	\$6,666
Company's Business Tax Credit (20% X \$6,666) ..	<u>\$1,333</u>
City's Net Revenue Gain.....	\$5,333

AMNESTY 2000

In 1995, the City instituted a broad-based Business Tax amnesty. With only \$106,000 spent on advertising, the amnesty succeeded in generating \$19.7 million in additional revenue: \$13.7 million in back taxes and \$6 million to the on-going tax base. Essential to minimizing the General Fund impact of this proposal is increasing compliance. Therefore, it is recommended that the City offer an amnesty period in the fall of 2000. Amnesty 2000 would both realize lost revenue from years past and ensure the City recoups taxes from these companies in future years. The Mayor's Office will recommend a level of funding for Amnesty 2000 which will ensure that the initiative is aggressively marketed, thus maximizing the tax revenue generated. This amnesty would waive the 40% penalties owed on back taxes and provide businesses with payment schedules, if needed.

Critical to the success of Amnesty 2000 is ensuring that adequate advertising resources are provided. The message must be made clear: the City is serious about aggressively pursuing tax evasion. Enhanced technology and auditing staff will greatly increase our success in identifying businesses that are not in compliance. Upon being identified, these businesses will owe a 40% penalty in addition to their back taxes. The Mayor's Office and Chair of the Budget and Finance Committee are committed to working closely with the City Clerk to ensure that sufficient budget resources are devoted to this venture.

INCREASING COMPLIANCE FOR MOTION PICTURE, BROADCASTING AND TELEVISION PRODUCTION

Preliminary data, cross-referenced between the Entertainment Industry Development Corporation (EIDC), which issues all permits for filming within Los Angeles County, and the City Clerk, show that many businesses receiving film permits are not registering or paying their City Business Tax (Exhibit 12).

EXHIBIT 12

STATISTICS ON PRODUCTION COMPANY TAX COMPLIANCE 1997-98*

- **Out-of-State Production Companies Receiving EIDC Film Permits:**
6 of 163 (3.6%) paid the Business Tax
- **LA County Production Companies Receiving EIDC Film Permits:**
120 of 630 (19%) paid the Business Tax.

* The statistics provided are preliminary. Follow-up analysis is currently being conducted.

The high level of non-compliance for production companies relates to the non-permanent structure of production entities. Production companies are often created for the sole purpose of filming a specific project. Upon completion of this project, the corporate entity is dissolved, often before the City knows of its existence. Because of the unique start-up nature of the production firms, these businesses will not be eligible for the "First Year Start-Up Exemption" advocated in this proposal. Given the severity of the compliance problem, it is recommended that the following actions be approved and implemented as soon as possible, independent of any larger Tax Reform package going to the voters:

- All of the business taxes must be paid in-full before film permits are issued by EIDC. EIDC will collect these funds based on the estimated cost of production claimed by the applicant. A simple "Tax Calculation and Payment Form" will be developed by the City Clerk, in conjunction with EIDC and the Industry.
- The City Clerk, City Attorney and EIDC will work in conjunction with the Industry to determine circumstances in which hardship waivers may be granted. Such waivers may allow for payment over the course of a production. In addition, EIDC and the City Clerk will develop a means for ensuring that no in-studio filming occurs without the production firms having filed for the Business Tax. Firms not complying with the Business Tax will not be issued future film permits.

FUTURE IMPROVEMENTS IN TAX FILING AND COLLECTION

This Business Tax proposal represents a first step toward reform. As recommended by Arthur Andersen and the business community, an ongoing effort to become more business-friendly and to provide sufficient documented information must be undertaken. Our Business Tax system must undergo continuous improvement. To ensure that appropriate, systematic changes are properly considered and enacted, the following is recommended:

- A Tax Advisory Group will be convened by the Mayor's Office and the Chair of the Budget and Finance Committee, in conjunction with the City Clerk, the Chief Legislative Analyst and the City Administrative Officer. This advisory group, consisting of business people and accountants, will provide a taxpayer's perspective relative to the continued simplification of our tax process. The Tax Advisory Group will make specific recommendations as to how the tax system can be further improved and made more business-friendly. The Tax Advisory Group will focus on the types of documented information needed by businesses, business license forms, auditing and compliance procedures, mailings and processes, such as on-line filing.
- An annual report of the group's findings and recommendations will be forwarded to the Mayor and City Council for each of the first five years following the implementation of any reforms. This report will be an important tool in assuring that the City continues to simplify and improve its tax system. The Mayor and the Chair of the Budget and Finance Committee will determine whether future reviews are necessary after the fifth year.

ENHANCED AUDITING AND REVENUE RECOVERY

In anticipation of Tax Reform and given the low taxpayer compliance rates, the 1998-99 General Fund Budget included funding for additional auditors. Once the auditors have been in the field for one year, the City Clerk and the City Administrative Officer will present an evaluation of the revenue generation attributable to these auditors. In addition, the evaluation should include an assessment of whether it would be more cost effective for the City to outsource any portion of its revenue discovery activities. Upon receiving this report, the Mayor and City Council should determine whether additional auditors or contracted services should be undertaken.

INCREASING REVENUES FROM NON-CITY RESIDENTS AND BUSINESSES

Arthur Andersen recommends that the City undertake measures to increase revenues generated by non-residents. In particular, many cities charge a rental car access fee or a Transient Occupancy Tax (TOT) on hotel/motel visitors. Additional revenues generated from these sources would enable the City to provide tax cuts to the business community. Further investigation showed that implementing a rental car access fee requires extensive research and is not recommended. An increase in the TOT is also not recommended at this time.

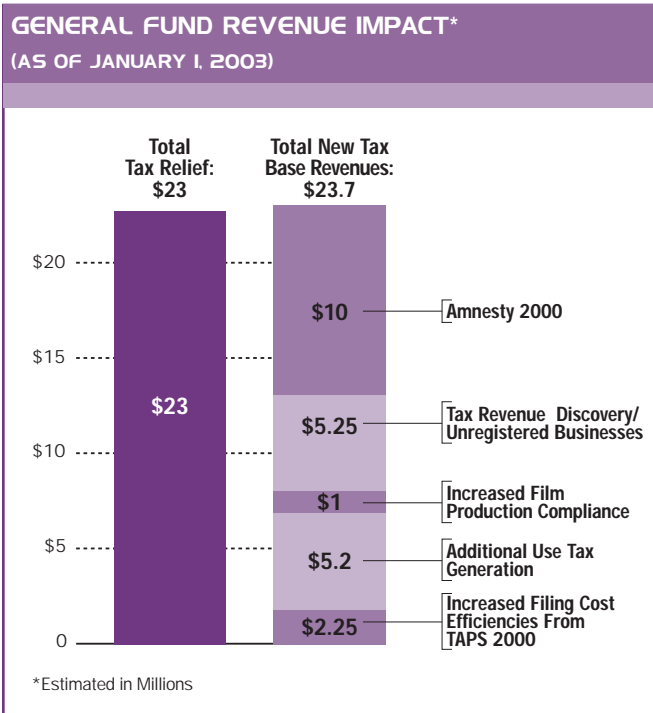
LEGISLATION TO ENHANCE CITY TAX REVENUES

Ultimately, Los Angeles residents and businesses suffer when the City's revenue base is eroded. When the Local Sales Tax paid by our residents and businesses goes to other cities or when businesses do not pay their fair share of the Business Tax, the tax burden becomes more concentrated on those who "play by the rules." In addition, revenue losses translate into a risk of reduced services in areas such as public safety, City infrastructure and parks. For this reason, the City will initiate and support legislative efforts that will enhance our tax collection ability and allow the City to obtain revenues generated within its borders.

TAX REFORM REVENUE IMPACT

The total tax relief provided in this proposal is \$23 million per year, which includes \$3 million to cover the economic growth impact from 1995 through the implementation period. Importantly, the overall revenue impact to the General Fund will be more than offset by the revenue generating incentives and efficiencies previously outlined in this proposal. These revenue-generating activities include: Amnesty 2000, tax discovery activities, increased Use Tax, film production compliance and tax system efficiencies. In total, these initiatives are projected to generate revenues of \$23.7 million (Exhibit 13).

EXHIBIT 13



DESCRIPTION OF REVENUE GENERATING CALCULATIONS

Amnesty 2000

As a means of bringing current non-filing firms into the Business Tax system, the Amnesty will take place in the fall of 2000. The goal of the Amnesty is to capture a portion of the \$75 million in Business Tax revenue not currently collected or reported. The last full-scale Business Tax Amnesty was held in 1995. With only a modest advertising budget of \$106,000, this effort generated approximately \$13.7 million in back taxes and \$6 million in ongoing tax base revenue. As a result of the enhanced budgetary resources which will be employed to mount an aggressive advertising campaign, Amnesty 2000 is expected to generate even greater tax base revenues, ranging from \$8 million to \$12 million. For further details on Amnesty 2000, please see page 23 of this proposal.

Tax Revenue Discovery/Unregistered Businesses

The City's auditing team, which was increased in the 1998-99 General Fund budget, will have a significant impact on increasing the Business Tax revenue base as non-filing companies are brought into the system through the year 2003. Estimates by the City Clerk indicate that tax discovery efforts will enhance the tax base by a minimum of \$2 million per year over the next four years. However, Amnesty 2000 may have an impact on reducing the projected amount of future tax discovery as a significant number of companies will voluntarily enter the tax system at the time of the Amnesty. Therefore, the projection used has been reduced by 25%, to \$1.5 million per year. During the three and a half year period ranging from June 1999 to 2003, the tax base will therefore increase by a projected \$5.25 million due to tax discovery activities. For further details on tax discovery, please see page 25 of this proposal.

Increased Film Production Compliance

According to City Clerk and the Entertainment Industry Development Corporation data, less than 16% of the production companies permitted to film in the City pay the Business Tax. The proposed tax-filing system for entertainment companies, as described on page 24, will ensure that all permitted production activity will pay the Business Tax. This compliance initiative is estimated to generate \$1 million.

Additional Use Tax Generation

Currently, the City loses an estimated \$29 million annually in Use Tax revenues due to the local allocation formula. Under this proposal, businesses that designate Los Angeles as the recipient of their local portion of the Use tax will receive a Business Tax credit equivalent to 20% of the net Use Tax gain to the City. The Municipal Resource Consultants estimate that this incentive will increase Use Tax revenues by an average of \$6.5 million per year. Deducting the 20% tax credit provides the City with a net projected revenue increase of \$5.2 million annually. For further details on the Use Tax, please see page 23 of this proposal.

Increased Filing Cost Efficiencies From TAPS 2000

Currently, the City Clerk estimates that the internal cost of processing a company's Business Tax is \$40. With 225,000 Business Tax accounts currently in the system, significant savings can be realized by decreasing the cost of processing. An expected result of the new TAPS 2000 mainframe system, which will be in place by 2002, is that the paperwork and staff time associated with filing will be dramatically reduced. At a minimum, the City should reduce the internal cost of filing to \$30 per application. An ultimate goal of \$20 should be pursued. Reducing the City's internal cost of processing to \$30 will provide approximately \$2.25 million in cost-saving efficiencies. Re-diverting these resources toward tax revenue discovery would further enhance compliance and the tax revenue base. These beneficial secondary impacts have not been included in the projections above.

TAX REFORM IMPLEMENTATION TIMELINE

IMPLEMENTATION TIMELINE FOR BUSINESS TAX PROPOSAL RECOMMENDATIONS

Exhibit 14 illustrates the implementation timeline for the Tax Reform recommendations. While some recommendations require voter approval, others should be included as part of the comprehensive tax package presented to the voters.

EXHIBIT 14

BUSINESS TAX PROPOSAL IMPLEMENTATION TIMELINE			
RECOMMENDATION	DATE OF IMPLEMENTATION OR COMPLETION	REQUIRED VOTER APPROVAL	RECOMMENDED VOTER APPROVAL
Tax Advisory Group	September 1, 1999		■
Use Tax Credit	January 1, 2000		■
First Year Business Tax Exemption	January 1, 2000		■
Inter-Company Transfers Data Collection and Analysis	January 1, 2000		
Exemption For Businesses Earning Less Than \$5,000 in Gross Receipts	January 1, 2000		■
Inflation Adjustment to Flat Fee Business Taxes and Tax Caps	January 1, 2000	■	
Up-front Collection of Business Tax on Entertainment Producers	January 1, 2000		
City Clerk and City Administrative Officer Report on Auditor Revenue Enhancement	March 1, 2000		
Amnesty 2000	Fall 2000		■
Primary Industry Code System (PIC)	January 1, 2001	■	
New Entertainment Production Tax Rate	January 1, 2001	■	
Fiscal Year Filing	January 1, 2001		■