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COUNCIL MOVES TO RECONVENE BUSINESS TAX ADVISORY COMMITTEE

LOS ANGELES -- The Los Angeles City Council today unanimously adopted a motion to reconvene the Business Tax Advisory Committee (BTAC), which will review and recommend reforms to the city's business tax program. The motion was authored by City Council President Eric Garcetti and Councilmember Janice Hahn with input from Mayor Antonio Villaraigosa who has been a strong proponent of business tax reform.

"We want to encourage businesses to come to Los Angeles and create more jobs for local residents. It's time to take another look at our city's business tax to see if we can simplify it and find ways to reduce the burden on our businesses. We are experiencing record unemployment and I want BTAC to recommend a tax credit that rewards job creation in addition to other reforms to help jump start our economy," said Council President Garcetti.

"Furthering business tax reform will attract more businesses to Los Angeles, and will help keep existing ones here," said Councilwoman Hahn. "It's an important avenue for creating jobs and adding much-needed revenue to our city."

"Small businesses are the backbone of our local economy and we must take strong action to ensure that current businesses can thrive and grow and that new businesses open in our city. The Business Tax Advisory Committee will help us find new, innovative ways to make it easier to do business in Los Angeles and, in turn, will grow our local economy and create new jobs for our residents," said Councilmember Alarcón, who chairs the Jobs and Business Development Committee, which unanimously passed the motion.

(more)

The new BTAC will be comprised of nine members who will be appointed by the Mayor (2), Council President (2), Council President Pro Tempore (1), and the Chairpersons of the Trade, Tourism and Commerce Committee, Budget and Finance Committee, Housing and Community Economic Development Committee, and the Jobs and Business Development Committee (1 each). They are expected to be selected within the next 30 days and will meet for no more than 18 months.

The most recent BTAC was created in 1999 and met through 2004. Their work culminated in the enactment of a substantial reform package, including reforms authored by Garcetti that have reduced by 11 percent the average business tax for local businesses and completely exempted 60 percent of small businesses from the tax.

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