

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a meeting of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, June 10th, 2020 at 6:00 PM.**

Pursuant to the Governor's Executive Order N-29-20, all members of the Budget Advisory Commission will join the meeting via phone/video conference and no teleconference locations are required.

Commission Members:

Jay Ashford, Ken Benson, Carrie Crespo-Dixon, Ed Gerber, Travis George, Geoffrey Johnson, Vincent Leung, Kasheica McKinney, Ali Nadeem, Caitlin Prendiville, Sarah Price, Darin Ranahan, Brenda Roberts, Michael Silk, Marchon Tatmon

City's Representative(s):

Jose Segura– *Finance Department*

Meeting Agenda:

1. Administrative Matters [5 minutes]
 - Welcome & Attendance
2. Presentation by CM Bas' Office on a Proposal for a Progressive, Modern, Equitable Business Tax Structure [40 minutes]
3. Update to BAC on Mid-cycle Adjustments [20 minutes]
4. Quick Update on BAC Oversight of Measure Q – PRAC [5 minutes]
5. BAC Self-Survey: Results and Feedback [20 minutes]
6. Quick Update from BAC 2020 Ad-Hoc Committees [10 minutes]
7. Open Forum
8. Adjournment

**CITY OF OAKLAND
BUDGET ADVISORY COMMISSION**

**Special Meeting of the Budget Advisory Commission
Meeting Agenda - FINAL
PUBLIC PARTICIPATION**

Hi there,

You are invited to a Zoom webinar.

When: Jun 10, 2020 06:00 PM Pacific Time (US and Canada)

Topic: Meeting of the City of Oakland Budget Advisory Commission (BAC)

Please click the link below to join the webinar:

<https://zoom.us/j/98153360570>

Or iPhone one-tap :

US: +16699006833,,98153360570# or +12532158782,,98153360570#

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799
or +1 929 205 6099 or +1 301 715 8592

Webinar ID: 981 5336 0570

International numbers available: <https://zoom.us/j/98153360570>



The Coronavirus pandemic is taking a toll on our families, businesses and governments. The decisions that Oakland makes today will have an impact for years to come. How we recover from this crisis will determine what our city will be like, far into the future. **By modernizing Oakland's outdated business tax structure, we can protect vital city services and create a city that supports small businesses.**

Now, more than twenty years old, the business tax in Oakland is outdated and fundamentally unfair.

- Oakland is the only major city in California that **does not have a progressive business tax.**
- This means **all businesses in Oakland pay the same percentage of tax**, no matter how much money they bring in.
- Small businesses, many of them owned and run by women and people-of-color, **pay the largest portion of the money** brought into the City by the gross receipts tax.
- The city does not use the national standard for business classification preventing comparisons. **The system has administrative loopholes** that allow big businesses to pay even less in taxes.
- **We are closing the loophole for new buildings in Oakland.**

Currently, a small retailer in Oakland pays 38% more in gross receipts taxes than a similar retailer in San Francisco.

- We need to **act now to create a progressive tax system that supports small businesses** while providing resources for the city services that are needed for our communities to thrive. The Lift Up Oakland Plan creates a modern, progressive tax system based on best practices from other cities in California.
- **We will provide small businesses with relief from the tax.** Giving a boost to 24,000 businesses owned by women and people of color that are struggling to survive.
- **Standardizes** the business classification system
- **Removes the loopholes** and tax exemptions
- **Creates a progressive tax system.**



Under the new structure a restaurant with \$2.5 million in gross receipts or less would see its taxes go down.

Small businesses cannot withstand drastic cuts to essential city services and survive. A Goldman School of Public Policy, Analysis Project showed that small businesses consider public safety essential for profitability. The study also identified street maintenance and addressing the homelessness crisis as important to their success. A progressive business tax will encourage small business growth while also providing the services our communities need to thrive.

The Lift up Oakland plan will create a more progressive tax structure, support small business and provide the revenue the city needs to provide essential services.

Please join us at

<https://www.liftupoakland.com>



Hi Miya:

Thanks for the information. As always the details of the proposal are very important. For purposes I am assuming you would keep the gross receipts basis but change the rate structure. Is that correct? So a few questions:

1. Are there any specifics about the rate structure?
2. How do you equitably tax businesses which have high sales volume but very low profit margin?
3. We just saw a number of Oakland businesses incur heavy expenses due to rioting. In this situation are there write-offs?
4. What would be the change in revenue to the city?
5. Do we know what specific businesses would pay the increased taxes? Are these businesses which create specific costs for the city or bring particular benefits?
6. Are there businesses which would pay less taxes but are very profitable?
7. Are there added or less costs for the administration of this system?

I'm sure I am ignoring some very obvious questions but this is plenty for now.

Thanks,
Ed