

FILED

AUG 07 2024

BY Bo DEPUTY CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE ___
REGISTRAR OF VOTERS

This ballot measure changes the City of Adelanto's business license tax. Currently, approximately 1,200 businesses in the City pay the business license tax that is assessed primarily on a flat rate by business classification. Over the last six fiscal years, business license tax revenue has averaged approximately \$70,000 per fiscal year.

This measure implements a new category-based gross receipts tax structure. Pursuant to the proposed new structure, businesses contribute proportionally to their generated revenues. Additionally, the new proposed structure simplifies the administration of the business license program by consolidating business classifications, thus reducing the burden on both City resources and businesses.

Based on a professional tax analysis report, the proposed tax program will classify businesses into five categories, with exemptions for certain businesses. In general, every business described in the following classifications who engages in business within the City of Adelanto shall pay an annual business tax in an amount computed in accordance with the following business tax rate schedule. Every business with annual gross receipts of less than \$25,000 shall pay the sum of \$25 ("Minimum Tax"). For businesses with annual gross receipts of over \$25,000, the business license tax shall be the Minimum Tax plus the gross receipts tax based upon adjusted gross income over \$25,000.

The business classifications and tax rates are as follows:

Group 1: General/Retail

Tax Rate: \$1.25 per \$1,000 gross receipts

Group 2: Professional

Tax Rate: \$4.00 per \$1,000 gross receipts

Group 3: Rental Properties

Tax Rate: \$4 per \$1,000 gross receipts



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DATE: 8-6-24

TIME: 4:30pm

BY: B Lopez

*City
Clerk*

Group 4: Services

Tax Rate: \$3.50 per \$1,000 gross receipts

Group 5: Contractors

Tax Rate: \$3.50 per \$1,000 gross receipts

The minimum gross receipts threshold and all flat rates for calculating the business license fee in the City of Adelanto shall be adjusted annually based on the Consumer Price Index ("CPI") for All Urban Consumers.

This updated tax structure is projected to increase revenue to the City by approximately \$1,200,000. The additional general revenue goes to the City's General Fund and can be used for multiple City services, including but not limited to, parks and recreation programs; blight and illegal dumping remediation; public safety services, including police, firefighters, and paramedics; and capital projects to improve City infrastructure, including the construction and maintenance of roads, construction and maintenance of sidewalks, storm water runoff and drainage, and other uses.

The measure was placed on the ballot by the City Council.

The above statement is an impartial analysis of Measure ___. If you desire a copy of the measure, please call the City Clerk's office at **760-246-2300 x11123** and a copy will be mailed at no cost to you.

Todd Litfin, City Attorney