

Revenue Fundamentals
Business License Fees, UUT and Others



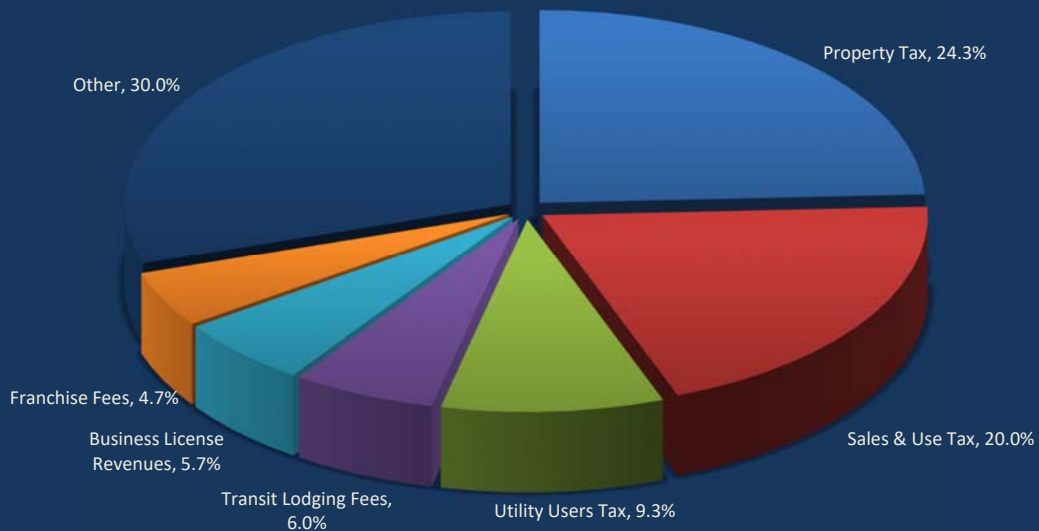
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California Society of Municipal Finance Officers



GENERAL REVENUE SOURCES*

*California State Controller's Report 2011-12





Maximizing Business License Revenues

- 🌐 Simple/Transparent/Equitable.....
Periodic review & update of classifications, Review & rebalance fees,
Build in CPI increases.
- 🌐 Consistent and Equal Enforcement.....
Track unlicensed businesses, Follow-up on delinquencies
Verify exemption claims.
- 🌐 Make It Easy on Taxpayer.....
On-line applications and renewals, Log in for emergency contact
updates, free listing on City Business Directory.



Maximizing Utility Users Tax

- 🌐 154 Cities – rates of 1% to 11%Gas, water, sanitation,
electricity, telecommunications
- 🌐 Constantly evolving technology – need to keep ordinances current with
changing times.
- 🌐 Key audit concerns:
 - All city users properly identified and captured.
 - All charges included & levied in-line with city ordinances.
 - Subpoenas often required particularly for telecommunications data.



Maximizing Transient Occupancy Tax

Three Year Audit Cycles




- Miscoded or understated fees & charges
- Accurate reporting of exemptions and comps

Update Ordinances with Changing Times

- Collaborative Economy (Airbnb, homeaway, onefinestay, etc.)
- Online travel companies (Expedia, Orbitz, Hotwire, etc.)



Maximizing Franchise Fees

-  Proper coding of City Boundaries.
-  Proper reporting of all sources of revenues – Franchisee & affiliate companies.
-  Track utility easements – gas, water, electric, oil.



THE CANNABIS GOLD RUSH

- 🎯 SB 94 – Local governments retain land use and regulatory authority.
- 🎯 Get buy in from community before proceeding.
- 🎯 Retain expert advice.
- 🎯 Do not. Repeat: **Do Not!** factor into operating budgets for at least five years. Treat as one-time money.....capital projects, PERS debt reductions only.



The Bottom Line.....

- 🎯 Keep pace with evolving business concepts and trends through periodic review and rebalancing.
- 🎯 Consistent, thorough and transparent, monitoring & enforcement.
- 🎯 Keep it simple...easy to comply, easy to enforce.



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