

Business License Tax Modernization Plan Priorities

#	Description	Goals				
		Simplify	Clarify	Modernize	Fair and Equitable	Fiscal Sustainability
Actions that require City Council Approval via Ordinance						
1	Clarify requirements for Mobile and Sidewalk Vendors		✓			
2	Clarify revocation process, appeal process, or business license denial		✓			
3	Clarify required documentation for different business types (e.g. health certificate, hair stylist certificate, 501C3 Letter, sellers permit, etc.)		✓			
4	Clarify confidentiality requirements in MBMC 6.01.230		✓			
5	Clarify the Delinquent Process in MBMC 6.01.250		✓			
6	Clarify/Update business license "due date" to April 30th (MBMC 6.01.070 states it is due on March 1 st)		✓	✓		
7	Clarify/revise the City Manager's authority to exempt a business from paying business license tax in MBMC 6.01.280 G		✓			
8	Clarify/revise the Chief of Police and all Police Officers' authority to make arrests for violations of the business license code (MBMC 6.01.260).		✓	✓		
9	Change any references of "Fee" to "Tax" throughout code			✓		
10	Update procedure relating to recordkeeping of gross receipts / IRS information for life of business plus 5 years (Resolution No. 5002)			✓		

#	Description	Goals				
		Simplify	Clarify	Modernize	Fair and Equitable	Fiscal Sustainability
Actions that require Voter Approval						
11	Update categories based on business type instead of location (e.g. eliminating Home Occupation, PO Box, etc.)	✓			✓	
12	Consolidate Tax Types based on Gross Receipts	✓			✓	
13	Clarify and expand Professional Services (e.g. Real Estate) and create new business types (e.g. Waymo, WeWork, other new industries)		✓	✓	✓	
14	Clarify tax category for STR vs Hotels (Gross receipts vs per room tax)		✓		✓	
15	Consider a standard deduction for business license tax	✓			✓	
16	Consider changes to Sales Tax Credit (currently applies to Commercial Property category only per MBMC 6.01.310)	✓	✓		✓	
17	Address apportionment by eliminating the base tax and clarify exemptions/deductions for revenues generated out of state and/or in other jurisdictions	✓	✓		✓	
18	Clarify definition of employees to include both on-site and remote employees		✓			
19	Update the current rate structure to be comparable with neighboring cities				✓	✓
20	Raise or remove the cap to address equity across business types				✓	✓
No Action Required						
21	Maintain Gross Receipts basis					✓
22	Continue CPI annual adjustments as set by resolution					✓