

BUDGET AND FINANCE COMMITTEE REPORT relative to the feasibility and fiscal impact of raising the small business exemption threshold, and business tax practices of other cities.

Recommendation for Council action, pursuant to Motion (Rodriguez – Blumenfield):

INSTRUCT the Office of Finance, with the assistance from the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA), to report to Council on:

- a. The feasibility and fiscal impact of raising the small business exemption threshold.
- b. The practices of other cities in regards to business tax.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted

**SUMMARY**

At its meeting held on February 17, 2026, your Budget and Finance Committee considered Motion (Rodriguez – Blumenfield), dated December 9, 2025, relative to instructing the Office of Finance, with the assistance of the CAO and CLA, to report back on the feasibility and fiscal impact of raising the small business exemption threshold, and the practices of other cities in regards to business tax, that could assist restaurants and small businesses with remaining economically viable. After an opportunity for public comment was held, the Committee moved to approve the recommendation contained in the Motion, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**