

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT relative to establishing a Business Tax Advisory Committee for potential reforms to the City's business tax structure.

Recommendation for Council action, pursuant to Motion (Lee – McOsker, et al.):

INSTRUCT the Chief Legislative Analyst (CLA) in consultation with the Office of Finance, to report within 60 days with:

- a. Recommendations to re-establish a Business Tax Advisory Committee, modeled after the committee whose recommendations informed the business tax reforms signed into law in December 2004, including proposed membership, scope of work, stakeholder representation, timeline, and reporting requirements to evaluate and recommend potential reforms to the City's business tax structure.
- b. Recommendations on necessary staffing for the committee as well as recommendations on structure and meeting schedule to complete work within 12 months.

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

Community Impact Statement: None submitted

Summary:

On August 4, 2026, your Rules, Elections, and Intergovernmental Relations Committee considered a May 19, 2026 Motion (Lee – McOsker, et al.) relative to establishing a Business Tax Advisory Committee for potential reforms to the City's business tax structure. According to the Motion, businesses continue to evaluate whether Los Angeles remains a viable place to invest, grow, and create jobs. A comprehensive review of the City's business tax structure can identify opportunities to modernize the system in a manner that supports economic growth, encourages investment, protects City revenues, and strengthens Los Angeles' competitiveness. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion recommendations.

Respectfully Submitted,

Rules, Elections, and Intergovernmental Relations Committee

COUNCILMEMBER VOTE

HARRIS-DAWSON:	YES
RAMAN:	YES
YAROSLAVSKY:	YES
SOTO-MARTINEZ:	YES
LEE:	YES

RM

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-NOT OFFICIAL UNTIL COUNCIL ACTS-