

**RESOLUTION OF THE LOS ANGELES CITY COUNCIL  
SUBMITTING AN INITIATIVE ORDINANCE TO THE VOTERS OF THE CITY OF  
LOS ANGELES AND REQUESTING THE LOS ANGELES COUNTY BOARD OF  
SUPERVISORS TO CONSOLIDATE THE ELECTION FOR THE INITIATIVE WITH  
THE STATE GENERAL ELECTION TO BE HELD ON NOVEMBER 3, 2026**

**WHEREAS**, the City Clerk has presented the City Council with a certified initiative petition in support of an ordinance regarding the following subject: repeal of City business taxes;

**WHEREAS**, the City Council wishes to act pursuant to City Charter Section 452 to submit the initiative ordinance to the qualified voters of the City of Los Angeles at the City's General Municipal Election to be held on November 3, 2026; and

**WHEREAS**, the City Council wishes to request that the Board of Supervisors of the County of Los Angeles consolidate the City's election for the initiative ordinance with the State General Election also to be held on November 3, 2026.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

Section 1. The initiative ordinance attached to this Resolution shall be submitted to the qualified voters of the City of Los Angeles at an election consolidated with the City's General Municipal Election and the State General Election held on November 3, 2026.

Sec. 2. The vote requirement for the initiative ordinance to pass is a majority of the votes cast.

Sec. 3. The ballot title and question for the initiative ordinance shall be as follows and shall include a letter designation as determined by the City Council in accordance with applicable City and State law:

**REPEAL OF LOS ANGELES CITY BUSINESS TAXES ON ALL BUSINESSES  
EXCEPT CANNABIS BUSINESSES. INITIATIVE ORDINANCE \_\_\_\_.**

Shall an ordinance repealing the City of Los Angeles' business taxes on all businesses operating in the City other than cannabis businesses, effective as of January 1, 2028, resulting in a decrease in the City's annual tax revenues by approximately \$840 million, be adopted?

Sec. 4. The City Clerk is hereby authorized to make technical and formatting adjustments to the attached initiative ordinance to facilitate presentation in ballot materials.

Sec. 5. The City Clerk is hereby authorized and directed to publish a notice containing the text of proposed City ballot measures and specifying the date of the election for the ballot measures. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles.

Sec. 6. The City Clerk is hereby authorized and directed to publish once in a newspaper of general circulation that copies of voter information pamphlets containing proposed City ballot measures may be obtained upon request in the City Clerk's office. The City Clerk is directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the voter information pamphlets and to distribute them to persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the voter information pamphlets to the qualified voters of the City of Los Angeles.

Sec. 7. The City Council respectfully requests the Board of Supervisors of the County of Los Angeles to order the consolidation of the City's election for the ballot measure with the State General Election to be held on November 3, 2026, and to canvass the returns of the election and transmit the certified election results to the City.

Sec. 8. The City Clerk shall administer the filing, printing, and distribution of all items contained in the City's Voter Information Pamphlet as provided in the City Election Code, including impartial summaries, ballot arguments, and rebuttal arguments regarding City ballot measures. In other particulars, the above-described election shall be held and conducted as provided by law for the holding of elections consolidated with the State General Election.

Sec. 9. The City Council requests the Board of Supervisors to fix the costs to be paid by the City of Los Angeles for consolidation of the City's election with the State General Election. The City will reimburse the County for the City's share of the costs incurred in conducting the City's election consistent with the cost estimate provided by the Registrar-Recorder/County Clerk and agreed to between the County and the City.

Sec. 10. The City Clerk shall file a duly certified copy of this Resolution with the Board of Supervisors and County Registrar-Recorder/County Clerk.

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Los Angeles at its meeting held on \_\_\_\_\_.

PATRICE Y. LATTIMORE, City Clerk

By \_\_\_\_\_  
Deputy

**TEXT OF THE PROPOSED INITIATIVE ORDINANCE**

**ORDINANCE NO. \_\_\_\_\_**

The people of the City of Los Angeles do ordain as follows:

**SECTION 1. Title.**

This initiative measure shall be known and may be cited as the “Los Angeles Cost of Living Relief Initiative” (“Initiative”).

**SECTION 2. Findings and Purpose.**

A. Findings. The people of the City of Los Angeles (“City”) find and declare the following:

1. The cost of living is at crisis levels in Los Angeles. It is one of the most expensive major cities in the Country, and inflation in the Los Angeles Metro Area is outpacing the national average, making this issue worse.
2. The City of Los Angeles is one of only a very small number of cities that impose a gross receipts tax on businesses (“business tax”), in addition to and separate from a sales tax, which makes it more expensive for businesses to operate in Los Angeles than in neighboring cities.
3. Making it hard to do business in Los Angeles hurts Angelenos. Increased business costs are not only often passed on to consumers, they also tend to give businesses a reason to move to more business-friendly cities and to discourage new businesses from opening in the City.
4. Voters of the City of Los Angeles are tired of the City’s mismanagement of taxpayer money while failing to provide sufficient services, all while taking money from our local businesses through the City’s business tax, which in turn is often passed on to consumers via higher prices. This is money that our community can better manage ourselves.
5. This Initiative therefore repeals the current business tax on virtually all businesses operating in the City of Los Angeles, in order to help grow the local economy, spur new job creation, and make living in the City more affordable for all Angelenos.
6. This Initiative does not repeal taxes on cannabis, including recreational cannabis and medical cannabis. Cannabis taxes were overwhelmingly approved by Los Angeles voters, and this Initiative respects that vote by retaining these taxes. These cannabis taxes, which are contained in Sections 21.50, 21.51, and 21.52 of the Los Angeles Municipal Code, are not being amended by this Initiative.
7. Implementation of this Initiative will protect the public health, safety and welfare, and the quality of life for the people of the City of Los Angeles.

- B. Purpose. The people of the City of Los Angeles declare that our purpose and intent in enacting this Initiative is to make amendments to the Municipal Code of the City of Los Angeles to repeal the business tax on most businesses operating in the City of Los Angeles, while expressly retaining provisions pertaining to the taxation of cannabis.

### **SECTION 3. Amendments to the Municipal Code of the City of Los Angeles.**

Article 1 (“Business Taxes”) of Chapter II (“Licenses, Permits, Business Regulations”) is hereby amended as set forth below (new language to be inserted into the Municipal Code is shown as underlined text, deletions are indicated in ~~strikethrough~~).

Subsection (a) of Section 21.00 (“DEFINITIONS”) is amended as follows:

- (a) **“GROSS RECEIPTS.”** Except as otherwise specifically provided, the term “gross receipts” as used in this article shall mean the gross receipts of the tax year and shall be calculated on either a cash or accrual basis in accordance with Internal Revenue Service guidelines. Gross Receipts is defined as follows:

The total amount charged or received for all sales and commissions for the performance of any act, service or employment of whatever nature it may be, whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not, for which a charge is made or credit allowed, including all receipts, cash, credits and property of any kind or nature, any amount for which credit is allowed by the seller to the purchaser without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. Gross receipts shall also include the amount of any federal manufacturers or importers excise tax included in the price of the property sold, even though the manufacturer or importer is also the retailer thereof and whether or not the amount of such tax is stated as a separate charge.

The term **“GROSS RECEIPTS”** as used in this article shall not include the following:

- (1) Cash discounts allowed or taken on sales;
- (2) Any part of the sales price of any property previously sold and returned by the purchaser to the seller which is refunded by the seller by way of cash or credit allowances given or taken as part payment on any property so accepted for resale;
- (3) The amount of any federal tax imposed on or with respect to retail sales whether imposed upon the retailer or upon the consumer and regardless of whether or not the amount of federal tax is stated to customers as a separate charge, or any California state, City, or city and county sales or use tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

(4) The amount derived from a business activity sold or otherwise transferred to another person during the preceding calendar year;

(5) Any amount received from or charged to any person which is a related entity to the tax-payer. A person is a related entity to a taxpayer if 80% or more of the ownership interests in both value and voting power of said person and the taxpayer are held, directly or indirectly, by the same person or persons. Notwithstanding the foregoing, any amount received from or charged to any person which is a related entity to a taxpayer shall be included in “gross receipts” when said amount is compensation for activities, including but not limited to, selling, renting and service performed by the taxpayer for any person which is not a related entity to the taxpayer; and

(6) Any uncollectible amount apportioned to the City of Los Angeles which has been written off as a “bad debt” in compliance with Internal Revenue Service guidelines. Any portion of bad debt subsequently recovered by a taxpayer shall constitute taxable “gross receipts” in the year that it is recovered. The provisions of this exclusion shall apply to any person paying a tax under the provisions of this article.

The term “Tax Year” as used in this article shall mean the calendar year unless there is a specific election to use the business’s fiscal year. After an election to use the fiscal year is made, a business may not change its tax measure year from that fiscal year, unless it changes its fiscal year or receives a waiver from the Director of Finance. The measure of tax for a business electing to use its fiscal year shall be attributable to the 12 month period ending on the last day of its fiscal year, and shall be for the fiscal year ending in the calendar year that would otherwise be the measuring year. Notwithstanding the foregoing, commencing on January 1, 2028, no business tax shall be imposed against any business or occupation other than those specified in Sections 21.50 to 21.52 of this Article, nor shall the Office of Finance enforce the business tax against any business or occupation other than those specified in Sections 21.50 to 21.52 of this Article. Nothing herein shall prevent the Office of Finance from collecting taxes due, or otherwise enforcing payment of such taxes, including enforcement of provisions pertaining to non-payment of taxes due, as a result of the operation of a business covered by the business tax prior to January 1, 2028.

Subsection (b) of Section 21.00 (“DEFINITIONS”) is amended as follows:

(b) **“BUSINESS TAX”** shall mean the privilege tax imposed upon persons engaged in the businesses or occupations described only in Sections 21.50 to 21.49852, inclusive, of this article for the privilege of engaging in such businesses or occupations within the City of Los Angeles.

Section 21.03 (“IMPOSITION OF TAX”) is amended as follows:

(a) Subject to the provisions of this Article, a business tax registration certificate must be obtained and a business tax must be paid by every person engaged in any of the

businesses or occupations specified in Sections 21.50 (“TAXATION OF MEDICAL MARIJUANA COLLECTIVES”), 21.51 (“TAXATION OF CANNABIS”), and 21.52 (“TAXATION OF MEDICAL CANNABIS”) of this Article; and a business tax is hereby imposed in the amount prescribed in the applicable section. No person described in Sections 21.50 to 21.52 of this Article shall engage in any business or occupation subject to tax under the provisions of this Article without obtaining a registration certificate and paying the tax required.

(b) The business tax registration certificate required to be obtained and the tax required to be paid are hereby declared to be required pursuant to the taxing power of the City of Los Angeles solely for the purpose of obtaining revenue. Compliance with such requirements shall not be construed to be a condition precedent to engaging in any business or occupation within the City of Los Angeles where the imposition of such a condition precedent would be contrary to law.

(c) (1) Commencing on January 1, 1981 the Director of Finance is directed not to enforce the Business Tax Ordinance against financial corporations for the tax years beginning January 1, 1981 until directed to do otherwise by the City Council by resolution.

(2) Commencing on January 1, 2028 no business tax shall be imposed against any business or occupation other than those specified in Sections 21.50 to 21.52 of this Article, nor shall the Office of Finance enforce the business tax against any business or occupation other than those specified in Sections 21.50 to 21.52 of this Article. Nothing herein shall prevent the Office of Finance from collecting taxes due, or otherwise enforcing payment of such taxes, including enforcement of provisions pertaining to non-payment of taxes due, as a result of the operation of a business covered by the business tax prior to January 1, 2028.

Section 21.22 (“RELIGIOUS, CHARITY, ETC.; PROCEDURE FOR ISSUANCE OF TAX EXEMPT REGISTRATION CERTIFICATES”) is amended as follows:

(a) (1) No tax exempt registration certificate, as set forth below, is applicable or required unless an entity is otherwise subject to the imposition of the business tax pursuant to Section 21.03 of this Article.

(2) The provisions of this article shall not be construed to require the payment of any business tax to operate or carry on the functions of any charitable or religious institution, organization or association organized for charitable or religious purposes and conducted solely for such purposes, nor the payment of any business tax to engage in teaching, preaching or otherwise disseminating any religious tenets or the beliefs of any religion; nor shall any business tax be required to be paid by any religious or other charitable association, including fraternal, educational, civic, military, state, county and municipal organizations and associations, for the conducting or staging of any theatrical, art, or sporting exhibition or similar event, or any dance, concert, or lecture, when the net

proceeds derived from any of the same are not used for the purpose of private gain to any individual but are used wholly for the benefit of such organization or for charitable or benevolent purposes, nor shall a business tax be required to be paid by any credit union corporation. Such persons are entitled to receive tax exempt registration certificates upon application for and qualification as provided in this section.

(b) An independent contractor who for profit or gain undertakes to carry on any business or activity, for the conduct or operation of which a registration certificate and business tax is required by any section of this article, shall not be exempted from the registration and tax requirements of this Article because of the fact that the independent contractor has paid or agreed to pay or turn over to any charitable institution or organization a portion of the receipts of the business or activity as a reward or recompense for the sponsorship of the business or activity, or for any other reason, and such a contractor shall not be deemed to be acting for purposes entitling the contractor to a tax exempt registration certificate.

(c) 1. The Director of Finance shall, upon application, issue a tax exempt registration certificate to any credit union corporation upon being furnished with satisfactory evidence of its incorporation and operation as such.

2. Any applicant for a tax exempt registration certificate authorized in Subsection (a), other than a credit union corporation, shall make an application upon a form furnished by the Director of Finance. The application shall be forwarded to the Board of Police Commissioners which shall make or cause to be made such investigation of the applicant and the activity carried on or proposed to be carried on as may be necessary to determine whether or not the applicant and the activity for which a tax exempt registration certificate is applied for meet the requirements of Subsection (a) hereof, and that the proceeds of the activity, if any, are to be used for the purposes mentioned therein. The Board of Police Commissioners shall endorse its finding upon the application and return the same to the Director of Finance. If the finding is to the effect that the requirements of Subsection (a) are met, the Director of Finance shall then issue a tax exempt registration certificate provided the applicant has complied with all other applicable provisions of this Code; provided further, however, that when the activity to be engaged in is of the kind for which the applicant must file a Notice of Intention as provided in Article 4 of Chapter 4 of this Code, no tax exempt registration certificate shall be issued until such Notice of Intention has been filed and an Information Card issued to the applicant as provided in said Article 4 . The registration certificate so issued shall show on its face that it is tax exempt. If the finding of the Board of Police Commissioners is that the requirements of Subsection (a) hereof are not met, no registration certificate shall be issued without payment of the tax prescribed in the appropriate section of this article.

(d) If at any time any activity listed in Subsection (a) as being entitled to the issuance of a tax exempt registration certificate is conducted in such a manner that, had it been disclosed in the application described in Subsection (c), would not have entitled the

person carrying on the activity to a tax exempt registration certificate, or if the net proceeds derived from those activities named in Subsection (a) are not used for a purpose approved therein, any tax exempt registration certificate therefore issued shall be void and the full amount of the tax shall be due and payable.

(e) Subject to the provisions of Subsection (d) hereof, upon the Director of Finance's issuance of a tax exempt registration certificate to a person, any tax, including any penalty or interest accrued thereon, owing by such person pursuant to any provision of this article for any period prior to such issuance by virtue of carrying on any activity described in Subsection (a) hereof in the manner prescribed therein which would have entitled such person to receive a tax exempt registration certificate shall be canceled as if it had never become due or owing, and, if paid, a refund thereof shall be made, subject to the provisions of Section 21.07 of this Code, as if it had been overpaid.

Section 21.29 ("SMALL BUSINESS EXEMPTION") is amended as follows:

(a) **Small Business.** No tax is required to be paid under this Article by any Small Business. A Small Business shall mean any person whose total taxable and nontaxable gross receipts from within and without the City do not exceed \$50,000.00. The \$50,000.00 amount shall be increased to \$100,000.00 on July 1, 2006.

*[Note: the Creative Artist exemption is being repealed because, on and after January 1, 2028, those businesses will no longer be subject to the business tax.]*

~~(b) —**Creative Artist.** No tax is required to be paid by a person under this Article for gross receipts attributable to "Creative Activities", earned when that person is engaged in business as a "Creative Artist", unless the total taxable and nontaxable gross receipts from within and without the City which are attributable to "Creative Activities" exceed \$300,000.00 annually.~~

~~For purposes of this exemption, a "Creative Artist" shall mean only a person who operates either (1) as an individual, (2) through a corporation with one individual as the only shareholder and the only employee (commonly referred to as a "loan-out"), or (3) through a limited liability company with one individual as the only member and the only employee. "Creative Activities" shall mean activities described herein. Gross receipts from Creative Activities shall not include any gross receipts received by a Creative Artist from activities that are not Creative Activities (for example, public appearances or product endorsements, or teaching as opposed to performing). Such other receipts shall not be exempt under this subsection, and shall be taxable as otherwise provided in this Article. In implementing the intent of this subsection, the Director of Finance shall consider that Creative Activities are distinct from a craft, and that this exemption applies to Creative Artists for their Creative Activities but not to craft persons. References to "multi-media" are to be interpreted as defined in subsection (b) of Section 21.189.4.~~

~~Eligibility for the small business exemption provided in subsection (a), above, shall be based on total taxable and non-taxable gross receipts from within and without the City, including receipts for Creative Activities.~~

~~Creative Activities shall mean activities performed by Creative Artists primarily for entertainment and/or aesthetic purposes, including assistants or professional trainees performing those same Creative Activities, in the following professions:~~

~~1. The following professions to the extent they are directly involved with motion picture, radio or television productions, commercials, multi-media or recorded or live music or theater:~~

~~-Actor or announcer; or~~

~~-Art director, costume designer, production designer, scenery or set designer; or~~

~~-Choreographer; or~~

~~-Cinematographer; or~~

~~-Conductor of bands, chorales, orchestras, and other musical groups; or~~

~~-Director; or~~

~~-Motion picture editor, sound dubbing, special effects, or titling artist; or~~

~~-Writer (where the writing is the writer's own creative work, but not writing that is compilation, documentation or description of a non-artistic nature, such as technical writing, the writing of technical or scientific reports, etc.); or~~

~~-Music or lyrics arranger, composer or writer; or~~

~~2. Author of books, essays, poems or short stories; or~~

~~3. Cartoon artist, including animated media; or~~

~~4. Creator of visual fine arts, using artist's materials (i.e., lithographer, painter, sculptor, or the equivalent); or~~

~~5. Drawing, graphic, illustration or sketch artist; or~~

~~6. Performing artist, including comedian, dancer, impersonator, juggler, magician, mime, musician, or singer; or~~

~~7. Photographer, to the extent the photography is primarily artistic in nature and not primarily journalistic or commercial.~~

(c) ~~(b)~~ Any person exempt from tax under Subsections ~~(a) or (b)~~ shall be required to timely file for registration and subsequent renewals before the delinquency date. The failure to timely file or renew prior to the date the taxes would otherwise have been delinquent pursuant to Section 21.05 of this Article, shall render inapplicable the exemption provided in Subsections ~~(a) and/or (b)~~ and subject the person to the tax that would otherwise be payable and to any interest and penalty applicable thereto.

Section 21.33 (“TAX RATES”) is repealed as follows:

~~Unless specifically listed under other areas of this article, the annual tax rates are as follows:~~

~~(a) Tax Rate A shall be \$1.05 for each \$1,000 of gross receipts or fractional part.~~

~~(b) Tax Rate B shall be \$1.32 for each \$1,000 of gross receipts or fractional part.~~

~~(c) Tax Rate C shall be \$2.65 for each \$1,000 of gross receipts or fractional part.~~

~~(d) Tax Rate D shall be \$3.28 for each \$1,000 of gross receipts or fractional part.~~

~~(e) Tax Rate E shall be \$3.70 for each \$1,000 of gross receipts or fractional part.~~

~~(f) Tax Rate F shall be \$5.07 for each \$1,000 of gross receipts or fractional part. For tax years beginning after December 31, 2015, the rate shall be reduced from this maximum rate as follows:~~

~~1. For the tax year beginning on January 1, 2016, Tax Rate F shall be \$4.75 for each \$1,000 of gross receipts or fractional part;~~

~~2. For the tax year beginning on January 1, 2017, Tax Rate F shall be \$4.50 for each \$1,000 of gross receipts or fractional part;~~

~~3. For tax years beginning after December 31, 2017, Tax Rate F shall be \$4.25 for each \$1,000 of gross receipts or fractional part.~~

Section 21.41 (“GROSS RECEIPTS FUND CLASS 1”) is repealed as follows:

~~For every person engaged in business as a Child Care Provider, Multimedia Business, Internet-based Application Service Provider, Internet-based Data Manipulation Businesses, Telephone Company, or Tugboat and/or Barge Operator, or engaged in Wholesale Sales, Tax Rate A, set forth in Section 21.33(a), shall be applicable.~~

~~(a) **CHILD CARE PROVIDERS.**~~

~~1. A child care provider means providing non-medical care for children under 18 years of age in need of personal services, supervision or assistance essential for sustaining the~~

~~activities of daily living or for the protection of the individual on less than a 24-hour basis.~~

~~2.—As used in this section, the term “gross receipts” does not include receipts earned by:~~

~~(i) Community chests, funds, foundations and/or corporations: (A) that are organized and operated for religious, hospital or charitable purposes; (B) that are not conducted for profit; and (C) for which no part of the organization’s net earnings inures to the benefit of any private shareholder or individual;~~

~~(ii) Non-profit secondary schools which are duly accredited by the University of California;~~

~~(iii) Non-profit elementary schools in which instruction is given to students in the pre-primary and primary grades in the several branches of studies required to be taught in the public schools of the State of California;~~

~~(iv) Rotary, Kiwanis and Lions Clubs;~~

~~(v) Non-profit automobile clubs, chambers of commerce, and other community service organizations; and~~

~~(vi) Trade associations such as the Merchants Plumbers Association, Merchants and Manufacturers Association, and labor organizations.~~

~~(b) **MULTIMEDIA BUSINESSES.**~~

~~1.—A multimedia business means a business that produces films, disks, tapes, software or other recording devices, whether visual or audio, through the integration of two or more media, which media include, without limitation, computer generated graphics and video, film, slides, video tapes, audio tapes and photographs or provides computer programming services on a contract or fee basis to the producer of these media. These services shall include computer software design and analysis, modification of custom software, digital imaging and other related programming services, the development of online and internet services and the design of web sites for clients.~~

~~2.—A multimedia business shall not include: a business that utilizes multimedia to sell goods or further its business; motion picture, television or radio producers; radio or television broadcasters; or an adult entertainment business, as defined in Section 12.70 B. of this Code.~~

~~(c) **INTERNET-BASED APPLICATION SERVICE PROVIDERS.**~~

~~1.—An internet-based application service provider (ASP) means a business that provides its customers access, exclusively through the internet, to electronic applications that are~~

~~available exclusively on computer devices operated by or on behalf of the ASP. An “electronic application” is a computer program that provides the user with the ability to accomplish a specific task. An ASP shall not include a business that provides electronic applications, including but not limited to computer software, for customers to download through the internet. A business does not qualify as an ASP unless its internet-based electronic application provides information to the user directly without any substantial intermediation by any person except for technical support related to the use of the electronic application. An ASP shall not include a business that sells electronic applications through the internet, or any business that obtains its income from the use of its electronic applications by itself, on its behalf, or by any related entity as defined in section 21.00(a).~~

~~2. An ASP business shall not include: a business that utilizes an application to sell goods or further its business; motion picture, television or radio producers; telephone companies; radio or television broadcasters; or an adult entertainment business as defined in Section 12.70 B. of this Code.~~

~~3. The ASP business tax classification shall apply only for the 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 tax years unless the Council acts by ordinance to amend this Section and extend the length of time for which this classification shall apply.~~

~~(d) **INTERNET-BASED DATA MANIPULATION.**~~

~~1. An internet based data manipulation business means a business that exclusively provides access to internet-based applications that allow a user to search, compile, and otherwise manipulate data, including but not limited to a business that operates or provides access to one or several “search engines”. A “search engine” is an internet-based application that retrieves documents or files or data from the internet, a computer network, a database, or other data sources. “Data” includes visual, numerical, and written information. A business does not qualify as an Internet-based Data Manipulation Business unless its internet-based application provides information to the user directly without any substantial intermediation by any person except for technical support related solely to the use of the internet-based application.~~

~~2. An internet based data manipulation business shall not include: a business that utilizes internet-based data manipulation to sell goods or further its business; motion picture, television or radio producers; telephone companies; radio or television broadcasters; or an adult entertainment business as defined in Section 12.70 B. of this Code.~~

~~3. The internet based data manipulation business tax classification shall apply only for the 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 tax years unless the Council acts by ordinance to amend this Section and extend the length of time for which this classification shall apply.~~

~~(e) TELEPHONE COMPANIES.~~

~~1. A person engaged in the business of providing telephone services means a telephone company as the term is used in Article XIII, Section 19 of the Constitution of California.~~

~~2. For the purpose of this section, "gross receipts" shall have the same meaning as in Subsection (a) of Section 21.00, except that only those receipts derived from providing telephone services within the City of Los Angeles shall be included, and further excepting, that only receipts resulting from intrastate telephone services shall be included. "Gross receipts" shall also include receipts from the selling of advertising or advertising space in any directory, other printed matter or any other media only for business tax purposes commencing on or after January 1, 1984.~~

~~(f) TUGBOAT AND BARGE OPERATORS. Tugboat and barge operator means any person engaged in the business of operating a tugboat or barge.~~

~~(g) WHOLESALE SALES. A wholesale sale or sale at wholesale means a sale of goods, wares or merchandise for the purpose of resale in the regular course of business; provided that a blind person, within the meaning of this section, need not include the first \$100,000.00 of gross receipts in the computation of the amount of tax due. This exemption shall not subject these persons to the provisions of Section 21.49, Professions and Occupations, of this article.~~

~~(1) A blind person, within the meaning of this section, means a person having not more than ten percent visual acuity in the better eye, with correction as certified by a licensed physician and surgeon who specialize in diseases of the eye or the Bureau of Vocational Rehabilitation of the Department of Education of the State of California. The exemption provided by this section shall not apply until a certificate as to the blindness shall be furnished to the Director of Finance.~~

~~(2) No tax under this article shall be required to be paid by any non-profit wholly owned retailer food cooperative by reason of its sales to its owner members.~~

~~(3) For the purpose of this section, newspapers, magazines, periodicals, books and other printed matter is deemed to be included in the term "goods, wares or merchandise" and the term "gross receipts" means California receipts from the selling or furnishing of advertising or advertising space in printed matter in addition to California receipts from the sale of goods, wares or merchandise. The provisions of this subsection shall apply only to business tax periods commencing on or after January 1, 1984.~~

Section 21.43 ("GROSS RECEIPTS FUND CLASS 2") is repealed as follows:

~~For every person engaged in business: as an Antique Show or Collectors Exchange Show Promoter; as a Swap Meet Operator; in the Rental of Accommodations or Residences; in the Rental of Office, Commercial Buildings, etc.; in Retail Sales; in the Laundry;~~

~~Cleaning or Service, or Shoe Repair field; as a Radio or Television Broadcaster; or as a Theater Operator; Tax Rate B, as set forth on Section 21.33(b), shall be applicable.~~

~~(a) **ANTIQUÉ SHOW AND COLLECTORS EXCHANGE SHOW PROMOTER.**~~

~~1. Antique show, collectors, exchange show, antique show or collectors exchange show promoter and antique show or collectors exchange show exhibitor shall be as defined in Article 3, Division 9, Section 103.301.1 of this Code.~~

~~2. In addition to the tax stated here, there is an additional \$0.59 per space for each show space rented for each day of show operation. The portion of the tax measured by space rentals shall be paid to the Director of Finance on a monthly basis, and shall be delinquent if not paid within the calendar month following the month during which the tax is accrued, notwithstanding any other provision of this article. If the promoter of the antique show or collectors exchange show is an organization otherwise exempted from the payment of taxes under this chapter, it shall be required, notwithstanding any other provision of this article, to obtain a business tax registration certificate and pay to the Director of Finance the above noted space rental taxes. The promoter must pass the space rental tax on to the antique show or collectors exchange show exhibitor and the reimbursement shall not be included in the promoter's gross receipts under this section.~~

~~3. For the purpose of taxation of antique shows and collectors exchange shows, the definitions contained under Rental of Office, Commercial Buildings, etc., in this section shall apply, except that the definition of "tenant" and "tenancy" shall include land or space on land, and is not limited to the occupation of a building or structure or space.~~

~~4. No registration certificate shall be required or a tax paid by any person engaged in one or more of the businesses described in this section, unless the total gross receipts derived from being so engaged are equal to or in excess of \$20,000.00 per calendar year.~~

~~(b) **SWAP MEET OPERATOR.**~~

~~1. A swap meet operator is defined in Article 3, Division 9, Section 103.311 of the Los Angeles Municipal Code.~~

~~2. In addition to the tax stated here, there is an additional \$.059 per space for each swap meet space rented for each day of swap meet operation. The portion of the tax measured by space rentals shall be paid to the Director of Finance on a monthly basis and shall be delinquent if not paid within the calendar month following the month during which the tax is accrued, notwithstanding any other provision of this article. If the operator of the swap meet is an organization otherwise exempted from the payment of taxes under this chapter, it shall be required, notwithstanding any other provision of this article, to obtain a business tax registration certificate and pay to the Director of Finance the above noted space rental taxes. The swap meet operator may pass the space rental tax on to the swap~~

~~meet vendor and the reimbursement shall not be included in the swap meet operator's gross receipts for purposes of this section.~~

~~3. For the purpose of taxation of swap meets, the definitions contained under Rental of Office, Commercial Buildings, etc., in this section shall apply, except that the definition of "tenant" and "tenancy" shall include land or space on land, and is not limited to the occupation of a building or structure or space.~~

~~4. No registration certificate shall be required or a tax paid by any person engaged in one or more of the businesses described in this section, unless the total gross receipts derived from being so engaged are equal to or in excess of \$20,000.00 per calendar year.~~

~~(c) **RENTING ACCOMMODATIONS OR RESIDENTIAL RENTALS.**~~

~~1. Renting accommodations or residential rentals means every person engaged in the business of conducting or operating a hotel, rooming house, boarding house, apartment house, lodging house, house court or bungalow court, and every person engaged in the business of renting or letting rooms, apartments or other accommodations for dwelling, sleeping or lodging in any similar place, and every person engaged in the business of operating any public camp, or trailer camp, park or lot where the public may rent camping, trailer or tent space, or services provided or available in connection with that space.~~

~~2. Notwithstanding the provisions of Section 21.06 to the contrary, a person required by this section to pay a tax need obtain only one registration certificate by reason of that requirement; but the person shall include in the measure of the tax the gross receipts derived from all businesses taxed by this section engaged in by the person within the City of Los Angeles, whether at one or more than one location. At the time the tax provided here is remitted, the Director of Finance may require the registrant to furnish a statement of the number of these businesses conducted by the registrant, giving the street address of each location, the amount of gross receipts attributable to each location, and designating a location at which the registration certificate issued shall be posted as provided in Section 21.09. The location so designated shall be considered the location of the business for the purpose of Section 21.08.~~

~~3. The Director of Finance may require a person engaged in any business taxed by this section to furnish information necessary in order for the Director of Finance to determine the nature of the ownership of the business, and the amount of interest that parties to the ownership of the business claim or possess. Where the Director of Finance determines that the parties claiming or possessing an ownership interest in two or more businesses taxed by this section, one or more of which produces less than \$20,000.00 in gross receipts in a particular calendar year, are substantially the same, the Director of Finance may require that the receipts of all these businesses be used as the measure of any tax that may be due, and issue a registration certificate and the identifying symbols as may be required in the manner prescribed in Subsection (c)2. Notice of the determinations made~~

~~by the Director of Finance shall be served on the persons or parties affected by the Director's determination in the same manner as notices of assessment are served under the provisions of Section 21.16. Any person or party affected by the determination of the Director of Finance may protest the determination by making written application for a hearing within ten days after the mailing or serving of the notice of the Director of Finance's determination. Within 15 days after receiving a request for a hearing, the Director of Finance shall cause the matter to be set for hearing before a board constituted as provided in Section 21.16. The Board shall consider the evidence, make findings, serve a copy of the findings, and receive and consider any exceptions that may be filed, and make any modification of its findings it may deem necessary. Once the Board completes those steps, the findings of the board shall be considered final.~~

~~4. No tax under this section shall be required to be paid by any cooperative housing corporation by reason of its renting or letting to its tenant stockholders.~~

~~5. No registration certificate shall be required or a tax paid by any person engaged in one or more of the businesses described in this section, unless the total gross receipts derived from being so engaged are equal to or in excess of \$20,000.00 per calendar year.~~

~~(d) **RENTAL OF OFFICE, COMMERCIAL BUILDINGS, ETC.**~~

~~1. Commercial Rental means renting or letting a building or structure of any kind on land located in the City of Los Angeles to a tenant for purposes other than dwelling, sleeping or lodging, or renting or letting space or the use or possession of space, or the right to use or possess space in a building or structure to a tenant for those purposes, and for every lessor engaged in the business of renting or letting boat slips or moorings. Tenant and tenancy shall include tenants and tenancies of all types, and persons occupying and the occupation of a building or structure, or space in a building or structure under any license or any concession agreement with a lessor. The right to use or possess the space shall be deemed to be the same as actual occupation.~~

~~2. The foregoing definition includes renting and letting of every kind and character, whether by an owner, lessee or sublessee, and licensing, and the granting of a concession by any of them, without regard to the length of the term of the tenancy, the date of its commencement, expiration or renewal, without regard to the number of tenants a lessor may have, or the number of buildings or structures, or the quantity of space in the buildings or structures, or the number of boat slips or moorings a lessor may have available for renting or letting to a tenant. It shall not fail to be a commercial rental by reason of the fact that one or more persons may reside within the building or structure where either the primary purpose of the particular tenancy or the primary use or right of use by the particular tenant is for some purpose other than dwelling, sleeping or lodging. It also shall not fail to be a commercial rental by reason of the fact that the tenant proposes to operate or does in fact operate the building or structure as a premises for a hotel, apartment or other dwelling.~~

~~Commercial rental specifically does not include any of the following:~~

- ~~(i) Maintaining a storage or warehouse and required to pay a tax for that business under other provisions of this article;~~
- ~~(ii) Providing space in a building or structure for the parking or storage of automobiles, and required to pay a tax for that business under other provisions of this article;~~
- ~~(iii) Operating a theater, exhibition hall or any similar place of public assemblage or entertainment, to the extent that the receipts are charges collected from patrons for admission to the premises;~~
- ~~(iv) To the extent that a business activity includes renting to casual tenants, where casual tenant and casual tenancy means any tenant or tenancy where the consideration paid or agreed to be paid consists exclusively of services; or where, after examining all the facts, the Director of Finance determines that the only tenancy is that of one or more tenants paying to a sublessor, primarily on a cost-sharing basis for the space used, involving less than 25% of the space under the control of the sublessor, and is terminable at will, a business otherwise subject to tax as a commercial rental;~~
- ~~(v) A business where the gross receipts are received as compensation for permitting coin-operated machines and devices to be placed, or to remain on or within the premises under the control of the lessor;~~
- ~~(vi) Conducting, operating, promoting or sponsoring a bona fide trade show as defined in Section 21.168.4(b) of this article, where the bona fide trade show does not exceed 14 days; neither shall these persons be subject to tax under any other provision of this article by virtue of engaging in any activity for which an exemption is granted in this paragraph.~~
- ~~(vii) Acting as an antique show or collectors exchange show promoter or as a swap meet operator, both of which are defined in Article 3, Division 9, Section 103.311 of this Code.~~
- ~~(viii) Renting or letting boat slips or moorings to the extent that the boat slips or moorings are used exclusively for commercial purposes.~~

~~3. Notwithstanding the provisions of Section 21.06 to the contrary, a lessor required by this section to pay a tax need obtain only one registration certificate; but the lessor shall include in the measure of the tax the gross receipts derived from all businesses taxed by this section engaged in by the lessor within the City of Los Angeles, whether at one or more than one location. At the time the tax provided here is remitted, the Director of Finance may require the registrant to furnish a statement of the number of these businesses conducted by the registrant giving the street address of each location, the amount of gross receipts attributable to each location, and designating a location at which the registration certificate issued shall be posted as provided in Section 21.09. The~~

location so designated shall be considered the location of the business for the purposes of Section 21.08.

~~4. A promoter or operator of a consumer show, exhibition or fair shall submit to the Director of Finance a list containing the legal name, doing business as name (DBA), business address, mailing address and telephone number of each participating exhibitor 30 days prior to the date of the consumer show, exhibition or fair and shall provide each participating exhibitor with information of the City's Business Tax requirements.~~

~~5. No registration certificate shall be required or a tax paid by any person engaged in one or more of the businesses described in this section, unless the total gross receipts derived from being so engaged are equal to or in excess of \$20,000.00 per calendar year.~~

~~(c) — **RETAIL SALES.**~~

~~1. A retail sale or sale at retail means a sale of goods, wares or merchandise for any purpose other than resale in the regular course of business; provided that a blind person need not include the first \$75,000.00 of gross receipts in the computation of the amount of tax due. This exemption shall not subject these persons to the provisions of Section 21.49, Professions and Occupations, of this article.~~

~~2. A blind person, within the meaning of this section, means a person having not more than ten percent visual acuity in the better eye, with correction as certified by a licensed physician and surgeon who specializes in diseases of the eye, or the Bureau of Vocational Rehabilitation of the Department of Education of the State of California. The exemption provided by this section shall not apply until a certificate of blindness has been furnished to the Director of Finance.~~

~~3. Whenever a person engages at the same location in two or more businesses of the kind taxed in this section, a joint Registration Certificate shall be issued for all these businesses and the tax shall be measured by the sum of the gross receipts of all these businesses so conducted.~~

~~4. For the purpose of this section, newspapers, magazines, periodicals, books and other printed matter shall be deemed to be included in the term "goods, wares or merchandise" and the term "gross receipts" means California receipts from the selling or furnishing of advertising or advertising space in printed matter in addition to California receipts from the sale of goods, wares or merchandise. The provisions of this subsection shall apply only to business tax periods commencing on or after January 1, 1984.~~

~~5. The provisions of this section shall not apply to an exhibitor who displays, exhibits or offers for sale or exchange any secondhand personal property at an antique show or at a collectors exchange show, or a vendor who sells, exchanges, displays or offers for sale or exchange new or secondhand goods at a swap meet, as defined in Article 3, Division 9, Section 103.311 of this Code. This exemption applies only to that portion of an~~

exhibitor's or vendor's receipts from sales or exchanges at an antique show, collectors exchange show or swap meet.

~~(f) — **LAUNDRY, CLEANING OR SERVICE AND SHOE REPAIR.** Laundry, cleaning and dyeing agent, collector, linen supply and shoe repair means washing, ironing, drying, cleaning, dyeing, sizing, blocking or pressing any clothing, wearing apparel, garment, linen, fabric or similar material, or similar article of personal property, whether accomplished by hand, machine or any coin-operated machine operated by a person, the person's employee or any customer, or furnishing or letting the use of any towels, linens, aprons, bedding, napkins, table covers, or any other article of personal property of a similar nature, or collecting or delivering any similar article as an agency or otherwise, for a fee or charge, or repairing or rebuilding shoes; provided that a person engaged in business subject to tax under this section, makes minor alterations or repairs to the clothing, wearing apparel, garments, linens, fabrics or similar material being washed, ironed, dried, cleaned, dyed, sized, blocked or pressed, in lieu of paying a separate business tax and obtaining a separate registration certificate under this article for the conduct of each business, may combine the gross receipts of all these businesses at that location and upon the basis of that computation pay a combined business tax and obtain a single registration certificate under this section for all these businesses at that location.~~

~~(g) — **RADIO AND TELEVISION BROAD-CASTER.**~~

~~1. Radio Broadcaster means any person engaging in the business of producing and broadcasting or broadcasting local or network radio programs or advertising material, including the furnishing of services, program elements or facilities in connection with production, production and broadcasting, or broadcasting.~~

~~2. Television Broadcaster means any person engaging in the business of producing and broadcasting or broadcasting local or network television programs or advertising materials, including the furnishing of services, program elements or facilities in connection with production, production and broadcasting, or broadcasting. A "television broadcaster" shall include any person operating a television system where the viewing audience pays a fee to view the broadcast.~~

~~3. When gross receipts are constitutionally required to be apportioned and are derived from or attributable to activities engaged in both within and without the City, gross receipts shall be apportioned in a manner that is fairly calculated to determine the amount of gross receipts derived from or attributable to engaging in business in the City. This apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by any other method of apportionment, that will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City. Gross receipts derived from or~~

~~attributable to sources within the City shall include gross receipts from any activities carried on in this City.~~

~~4. Notwithstanding the foregoing, the gross receipts used in the measurement of the tax under this section shall be limited to receipts that are generated, produced, or attributable to local activities in the State of California.~~

~~5. The provisions of this section shall apply only to business tax periods commencing on or after January 1, 1984.~~

~~(h) **THEATER OPERATOR.** Theater Operator means any person engaged in the business of conducting a theater containing a permanent stage upon which movable scenery and theatrical appliances are used, where regular theatrical or vaudeville performances are given and for the privilege of viewing the performances, a fee is charged, collected or received, or conducting, managing or carrying on a moving picture theater or drive-in theater, where moving or motion pictures are exhibited and a fee is charged, collected or received, or conducting, operating or promoting any entertainment, show or exhibition not otherwise required to pay a tax under other provisions of this article, where an admission fee is charged, collected or received, or where no admission fee is charged, collected or received but donations of any kind or character are solicited or accepted. Provided, that in connection with any entertainment, show or exhibition, if no admission fee is charged, collected or received, and no donations of any kind or character are solicited or accepted, or if the person conducting, operating or presenting the entertainment, show or exhibition taxed under this section is a person mentioned in Section 21.49 (c)3.(iv), Professions and Occupations, or if the person is a strolling musician who performs on sidewalks, in parks and similar publicly owned places where no admission fee is charged, collected or received, even though donations are solicited and collected, no tax shall be required to be paid for those performances by that person.~~

~~(i) **ELECTRIC VEHICLE CHARGING STATION BUSINESS.** An Electric Vehicle Charging Station Business provides access to a fixture that supplies the electrical power for charging the batteries used to power one or more electric motors in the electric vehicle. This classification includes only the business that provides electrical power to the user of the electric vehicle. This classification will apply only for the 2023, 2024, 2025, 2026 and 2027 tax years.~~

Section 21.46 (“GROSS RECEIPTS FUND CLASS 6”) is repealed as follows:

~~For every person engaged in the business of Promoting or Staging Sporting Events, Operating or Maintaining Vending Machines, Collection Agencies, Storage, Freight Forwarding/Steamship Agency, and Personal Property Rental, Tax Rate C, as set forth in Section 21.33(c), shall be applicable.~~

~~(a) **SPORTING EVENT.** **Sporting Event** means the business of promoting or staging any baseball, football, soccer, tennis, polo, swimming, boxing, wrestling, or similar~~

~~exhibition, event or contest; provided, however, as used in this section, "gross receipts" shall not include any of the following:~~

- ~~1. Receipts from a trade, calling, occupation, vocation, profession or other means of livelihood, which this City is prohibited from taxing under the Constitution or laws of the United States, or under the Constitution or laws of the State of California;~~
- ~~2. Receipts of community chests, funds, foundations or corporations organized and operated for religious, hospital or charitable purposes, not conducted for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual;~~
- ~~3. Receipts of non-profit educational institutions of collegiate grade, defined here to mean institutions incorporated as colleges or seminaries under the laws of the State of California, which require for regular admission the completion of a four-year high school course, or its equivalent, and which confer upon their graduates at least one academic or professional degree, based on a course of at least four years in liberal arts and sciences, or on a course of at least three years in professional studies such as law, theology, education, medicine, pharmacy, architecture, fine arts, commerce or journalism; receipts of non-profit secondary schools which are duly accredited by the University of California; and receipts of non-profit elementary schools in which instruction is given to students in the pre-primary and primary grades in the several branches of studies required to be taught in the public schools of the State of California;~~
- ~~4. Receipts of Rotary, Kiwanis and Lions Clubs, non-profit automobile clubs, Chambers of Commerce, and other community service organizations; also receipts of trade associations such as Merchants Plumbers Association, Merchants and Manufacturers Association and labor organizations.~~

~~(b) **VENDING MACHINES.**~~

- ~~1. **Vending Machine Operator** means the business of operating, maintaining or letting the use of any coin-operated vending machine for the dispensing of goods, wares, merchandise or other tangible property.~~
- ~~2. Except as otherwise provided in this section, each coin-operated vending machine, which is operated, maintained or used within this City, shall have conspicuously stamped upon it or affixed on it for identification purposes, the name and address, Business Tax Registration Certificate number, and the telephone number, if any, of the owner or operator. The identification shall be provided by the owner or operator of the machine and at the owner's or operator's expense, notwithstanding the provisions of Section 21.06(b) to the contrary, and shall be removed from the machine by the owner or operator when the authority to use the machine is transferred to another person, whether by sale, lease, license or otherwise.~~

~~3. No business tax or identification shall be required for the maintenance or operation of:~~

~~(i) Any postage stamp machine;~~

~~(ii) Any machine dispensing sanitary or hygienic articles, or drinking cups, towels or medicine, which machine is entirely owned and supplied by the owner or operator of the premises where the machine is installed, and is maintained solely for the convenience of employees, visitors or customers and, not for profit to the owner or operator or to any other person;~~

~~(iii) Any machine, which is entirely owned, operated and supplied by the owner or operator of the premises where the machine is installed, and the owner or operator holds a valid registration certificate at that location to engage in a business taxed under the provisions of Section 21.42, Wholesale Sales or Section 21.44, Retail Sales, of this article, and the owner or operator includes the gross receipts from the sale of all goods, wares, merchandise or other tangible property dispensed by the machine in the measure of the applicable business tax paid under Section 21.42, Wholesale Sales or Section 21.44, Retail Sales, of this article;~~

~~(iv) Any machine dispensing newspapers or other printed matter.~~

~~(c) **COLLECTION AGENCIES.**~~

~~1. **Collection agency** means and includes all persons engaged directly or indirectly and as primary or secondary object, business or pursuit, in soliciting claims for collection or in the collection of claims owed or due or asserted to be owned or due to another, and any person, when engaged in collecting accounts for another, where the employment is for one or more persons, shall be deemed to be engaged in the collection business within the meaning of this section. Any person using a fictitious name in collecting the person's own accounts receivable with the intention of conveying to the debtor that a third party has been employed, is a collection agency as contemplated by this section and shall be subject to these provisions. The term "collection agency" shall not include attorneys at law, individuals regularly employed on a regular wage or salary, in the capacity of creditors or in other similar capacity upon the staff of employees of any one person not engaged in the business of a collection agency, banks, abstract companies doing an escrow business, duly licensed real estate brokers or agents doing a real estate business, nor a merchant owned non-profit credit association unless they are conducting a collection agency.~~

~~2. In computing the tax imposed by this section, there shall be deducted from gross receipts the amount received as the result of collections made outside of the State of California.~~

~~(d) **STORAGE, FREIGHT FORWARDING.**~~

1. ~~**Freight Forwarding**~~ means the business of preparing the documentation and otherwise arranging for the importation or exportation of goods, wares or merchandise, or of collecting or consolidating for shipment in carload lots or less, truck load lots or less, any goods, wares or merchandise, as agent or bailee for any person where a fee is charged for that service.

2. ~~**Steamship Agency**~~ means the business of soliciting, receiving or handling outbound or inbound freight aboard vessels attending to operational requirements of vessels while they are entering, within and departing from a port, and performing husbanding services, such as arranging for ships stores, bunker fuel, crew changes, vessel repairs and delivery or re-delivery of vessels pursuant to charter.

3. ~~**Storage or Warehousing**~~ means the business of storing goods, ware or merchandise of any kind.

~~(e) **PERSONAL PROPERTY RENTAL.**~~

1. ~~**Personal Property Rental**~~ means the business of leasing or renting any tangible personal property. For the purpose of this section, ~~**Tangible Personal Property**~~ means personal property that may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses.

2. Nothing in this section shall be construed to require the inclusion of the amount received for the leasing or renting of tangible personal property, the entire use of which is made wholly outside the State of California.

Section 21.47 (“GROSS RECEIPTS FUND CLASS 7”) is repealed as follows:

For every person engaged in the business of Commission Broker and Independent Telemarketing, Tax Rate D, as set forth in Section 21.33(d), shall be applicable.

~~(a) **COMMISSION BROKERS. Commission Broker**~~ means any person engaged in the business of buying and selling of goods, wares or merchandise by a person to the extent that the person:

1. Does not engage in the business of manufacturing, refining, fabricating, milling, treating or other processing of the goods, wares or merchandise bought and sold and; does not cause the goods, wares or merchandise to be manufactured, refined, fabricated, milled, treated or otherwise processed;

2. Does not obtain or retain title to the goods, wares or merchandise, except while the goods, wares or merchandise may be in transit, or for short periods of time before transportation commences or after it ceases; and

~~3. Does not store or warehouse the goods, wares or merchandise, except while the goods, wares or merchandise are actually in transit, or for short periods of time before transportation commences or after it ceases.~~

~~(b) **INDEPENDENT TELEMARKETING AGENCY.** Independent Telemarketing Agency means any person who engages in the business of marketing services or goods, wares or merchandise on behalf of three or more clients continuously, none of which has any ownership interest in the person, by use of a telecommunications device at a call center. An Independent Telemarketing Agency shall not include a person who sells their own services or goods, wares or merchandise. A call center means a location in which 25 or more persons are continuously employed or utilized to make and/or receive telephone calls by means of a centralized telecommunications system.~~

Section 21.48 (“GROSS RECEIPTS FUND CLASS 8”) is repealed as follows:

~~(a) For every person engaged in business providing miscellaneous services as an Advertising Agency, Aircraft Support Contractor, Apparel Subcontractor, Bookbinder, Check Cashing Service, Drapery Subcontractor, Heat Treater, Mailing Service, Metal Plater, Music Teacher, Public Relations Agency, Refuse Contractor, Shoe Shining Stand, Parlor Operator, Silk Screen Apparel Subcontractor, Temporary Help Agency, Ticket Seller, Travel Agency, Typesetter or Wire Terminator, Tax Rate E, as set forth in Section 21.33(e), shall be applicable.~~

~~(b) For purposes of this section, the following terms are defined as follows:~~

~~**Miscellaneous Services** means any person engaged in business as an advertising agency, aircraft support contractor, apparel subcontractor, bookbinder, check cashing service, drapery subcontractor, heat treater, mailing service, metal plater, music teacher, public relations agency, refuse contractor, shoe shining stand or parlor operator, silk screen apparel subcontractor, temporary help agency, ticket seller, travel agency, typesetter or wire terminator.~~

~~**Advertising Agency** means any person who engages in the business of advertisement counseling, including the writing, composing, designing and placement of advertisements for clients, regardless of the advertising media employed; provided however that the extent the person employs the use of the person’s own media, the person shall not be considered an advertising agency with regard to either the promotion or placement of advertisements in that media.~~

~~**Aircraft Support Contractor** means any person who engages in the business of furnishing ground support services to airline carriers, including the providing of ramp services, baggage and freight handling services, ticket services, mechanical services, fueling services or other similar services normally performed at an airport.~~

**Apparel Subcontractor** means any person who engages in the business of cutting, sewing, or fabricating any clothing, wearing apparel, garment, or similar material belonging to an apparel manufacturer or pursuant to a contract with another apparel subcontractor.

**Bookbinder** means any person engaged in the business of binding books.

**Check Cashing Service** means any person engaged in the business of cashing payroll checks, for a fee or charge and for every person whose business consists in whole or in part of cashing checks for others for a fee or charge.

**Drapery Subcontractor** means any person who engages in the business of cutting, sewing, or fabricating any draperies, curtains, or similar material belonging to a drapery manufacturer, drapery jobber, or drapery seller, or pursuant to a contract with another drapery subcontractor.

**Heat Treater** means any person who engages in the business of changing the hardness and/or strength of metal materials of another by controlled heat process methods.

**Mailing Service** means any person who engages in the business of preparing printed matter for mailing (such as, by sorting, collating, tying, inserting, addressing, and metering), mailing the printed matter, or providing (without selling), advising as to, compiling, or maintaining lists of persons, businesses, or locations for use in mailing printed matter.

**Metal Plater** means any person who engages in the business of plating, anodizing or galvanizing metal articles of another electrolysis or any other plating process.

**Music Teacher** means any person who engages in the business of teaching music.

**Public Relation Agency** means any person who engages in the business of promoting rapport and goodwill between a person and other persons, special publics, or the community at large through the distribution of interpretative material, the development of neighborly interchange and the assessment of public reaction.

**Refuse Contractor** means any person who engages in the business of hauling refuse.

**Shoe Shining Stand or Parlor Operator** means any person who engages in the business of operating or maintaining a shoe shining stand or parlor.

**Silk Screen Apparel Subcontractor** means any person who engages in the business of performing silk screen printing work upon any clothing, wearing apparel, garment, or similar material belonging to an apparel manufacturer or pursuant to a contract with another silk screen apparel subcontractor.

~~**Temporary Help Agency** means any person engaged in the business of supplying their employees to others on a temporary basis, provided however that this term does not include an agency for the brokerage of labor for a fee to be paid either by the applicant for employment or the prospective employer.~~

~~**Ticket Seller** means any person, who engages in the business of selling rights, evidenced by tickets, which entitle the purchaser to view, hear and/or attend a theatrical, cultural, sporting or similar event and who does not sponsor, promote, produce or contribute to the event. Ticket seller includes persons selling rights on their own account and persons selling rights as broker or agent for another person.~~

~~**Travel Agency** means any person who engages in business as a broker of travel services, and who arranges for transportation, tours, lodging facilities, food, entertainment, and other similar accommodations or related services.~~

~~**Typesetter** means any person who, as a typesetter, compositor, typographer, or type founder, engages in the business of setting type for another by hand, cold type process, hot metal process, photographic process, or any other similar mechanical or photochemical "type assembly" process.~~

~~**Wire Terminator** means any person who engages in the business of connecting components and circuits of electronic panels of another configured wiring by means of fully automatic equipment.~~

~~As used in this section, the term "gross receipts" includes all receipts included by the provisions of Subsection (a) of Section 21.00 of this article. In the case of persons acting as agents or brokers for another person, the term gross receipts includes and excludes, respectively, those receipts that are included and excluded under Subdivision 6. of Subsection (c) of Section 21.49, Professions and Occupations; provided, however, that with regard to a person engaged in business as a Travel Agency the cost of transportation, tours, lodging facilities, food, entertainment, and other similar accommodations or services shall be deemed to be the legal obligation of the recipient.~~

Section 21.49 ("GROSS RECEIPTS FUND CLASS 9") is repealed as follows:

~~For every person engaged in business conducting Auto Parks, Health Maintenance Organizations, Any Trade, Calling, Occupation, Vocation, Profession or other means of livelihood, as an independent contractor and not an employee of another, and not specifically taxed by other provisions of this article, Tax Rate F, as set forth in Section 21.33(f), shall be applicable.~~

~~(a) **AUTO PARK.** **Auto Park** means engaged in the business of conducting any automobile parking place, storage lot or storage place where motor vehicles are parked or stored, and a charge is made directly or indirectly for the parking or storage.~~

~~(b) **HEALTH MAINTENANCE ORGANIZATIONS.** Health Maintenance Organization means engaged in business arranging for the provision of health care services to subscribers or enrollees, or to pay for or to reimburse any part of the cost for those services, in return for a prepaid or periodic charge paid by or on behalf of the subscribers or enrollees.~~

~~1. For the purposes of this section, gross receipts of a Health Maintenance Organization, which are attributable to a place of business within the City, shall be apportioned by using the total cost method to determine the amount of gross receipts that are subject to tax. The total cost method uses a ratio to derive a percentage that is multiplied by the total gross receipts. The numerator of the ratio is the total in-City costs. The denominator of the ratio is the sum of the total in-City costs and the total out-of-City costs. The percentage derived by dividing the numerator by the denominator is multiplied by the total gross receipts to determine the amount of gross receipts that are subject to tax. Total costs shall include a Health Maintenance Organization's payroll and related costs, property and related costs, and contract health care provider costs, incurred within and without the City.~~

~~2. The apportionment formula set forth in Subdivision 1. shall be applicable to all tax years not barred by the statute of limitations on January 1, 1998. Notwithstanding the foregoing, no person shall be entitled to a refund for any tax year prior to 1998, due to the application of the apportionment formula set forth in Subdivision 1. In computing any person's tax liability due for tax years prior to 1998, offsets of applicable credits not barred by the statute of limitations shall be allowed before determining the total tax due.~~

~~3. The Director of Finance shall levy an assessment pursuant to Section 21.16 of this article in the amount of the underpayment against any person who has underpaid tax for any tax year prior to 1998, to which the apportionment formula set forth in Subdivision 1. is applicable.~~

~~4. Notwithstanding the provisions of Section 21.05 of this Code, no penalty shall apply, and interest shall accrue at the rate equal to the annualized rate of return on the general pool earned by the City Treasurer for the calendar year prior to the tax year involved, on any underpayment described in Subdivision 3.~~

~~5. No interest described in Subdivision 4. shall accrue during the period commencing on January 1, 1997, and ending on June 30, 1998.~~

~~6. Notwithstanding the provisions of Section 21.05 of this Code, the tax under this section for the 1998 tax year shall not be delinquent until July 1, 1998, and prior to that date, no penalty shall apply and no interest shall accrue.~~

~~(c) **PROFESSIONS AND OCCUPATIONS.**~~

1. ~~Professions and Occupations~~ means a person engaged in any trade, calling, occupation, vocation, profession or other means of livelihood, as an independent contractor and not as an employee of another, and not specifically taxed by other provisions of this article.
2. ~~A person engaged in more than one trade, calling, occupation, vocation, profession or other means of livelihood embraced within this section shall consolidate all gross receipts and shall be issued one registration certificate covering all these activities. Any person engaged in any activities embraced within this section, in addition to activities covered by any other section of this article, shall obtain separate registration certificates for the activities covered by those other sections.~~
3. ~~As used in this section, the term “gross receipts” does not include:~~
  - (i) ~~Receipts from a trade, calling, occupation, vocation, profession or other means of livelihood, which this City is prohibited from taxing under the Constitution or laws of the United States, or under the Constitution or laws of the State of California;~~
  - (ii) ~~Receipts of community chests, funds, foundations or corporations organized and operated for religious, hospital or charitable purposes, not conducted for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual;~~
  - (iii) ~~Receipts of non-profit educational institutions of collegiate grade, defined here to mean institutions incorporated as colleges or seminaries under the laws of the State of California, which require for regular admission, the completion of a four-year high school course, or its equivalent, and which confer upon their graduates at least one academic or professional degree, based on a course of at least four years in liberal arts and sciences, or on a course of at least three years in professional studies such as law, theology, education, medicine, pharmacy, architecture, fine arts, commerce or journalism; receipts of non-profit secondary schools which are duly accredited by the University of California; and receipts of non-profit elementary schools in which instruction is given to students in the pre-primary and primary grades in the several branches of studies required to be taught in the public schools of the State of California;~~
  - (iv) ~~Receipts of Rotary, Kiwanis and Lions Clubs, non-profit automobile clubs, Chambers of Commerce, and other community service organizations; also receipts of trade associations such as Merchants Plumbers Association, Merchants and Manufacturers Association and labor organizations;~~
  - (v) ~~Receipts of:~~
    - a. ~~Railroad companies including street railways, defined here to include interurban electric railways;~~

~~b. Sleeping car, dining car, drawing room car, and palace car companies, refrigerator, oil, stock, fruit and other car loaning and other car companies operating upon railroads in this City;~~

~~e. Companies doing express business on any railroad, steamboat, vessel in this City;~~

~~d. Telegraph and telephone companies;~~

~~e. Companies engaged in the transmission or sale of gas or electricity.~~

~~(vi) Receipts of persons acting as agents or brokers for other persons to be paid over to those other persons, or to pay for those other persons' legal obligations, or as reimbursements for sums advanced by the agent for those other persons' legal obligations, or to be invested on behalf of those other persons. Notwithstanding the foregoing, however, the term "gross receipts" includes but is not limited to:~~

~~Receipts of any person received as commissions or fees earned, or charges of any character made or compensation of any character received, for the performance of any service by that person or any of that person's employees;~~

~~Receipts of any person received as partial or full compensation or reimbursement for salaries, payroll taxes, free benefits and any and all similar expenses for persons who are employees of that person under the criteria set forth in Division 4, Part 1, Chapter 2, Article 2 of the Labor Code of the State of California as effective on July 1, 1976.~~

~~Receipts of any person received as partial or full compensation or reimbursement for equipment, supplies, utilities, or other items or services acquired by that person in that person's name and used or consumed in the performance of services subject to tax under this section.~~

~~Provided, further, that any agent or broker dealing in stocks or other similar written instruments evidencing the right to participate in the assets of any business, or dealing in bonds or other evidences of indebtedness, who also deals in that property as a principal, shall include the gross receipts by which the tax is measured the amount of the agent's or broker's trading profits resulting from these dealings. No deduction from receipts attributable to trading as a principal shall be made unless the deduction is provided for under Subsection (a) of Section 21.00 of this article.~~

~~(vii) Receipts from the publication and sale of newspapers, magazines and other periodicals regularly issued at average intervals not exceeding three months. The exclusion contained in this paragraph shall apply only to business tax periods commencing on or after January 1, 1984.~~

~~(viii) Receipts derived by a radio or television studio, station or network business from the production or broadcasting of local or network radio or television programs or~~

~~advertising materials, including but not limited to the furnishing of services, program elements or facilities in connection with the production or broadcasting; provided, however, that nothing in this paragraph shall exempt any person from the tax imposed under Section 21.109 or exclude from the measure of the tax any receipts derived by any person from the operation of a television system where the viewing audience pays a fee to view the broadcast; provided, further, that nothing in this paragraph shall be construed as entitling any studio, station or network business to engage in a business subject to tax under Section 21.42, Wholesale Sales, or Section 21.47, Retail Sales, or Section 21.46, Personal Property Rental, without paying the tax required in those sections. The exclusion contained in this paragraph shall apply only to business tax periods commencing on or after January 1, 1984.~~

~~(ix) Receipts of a person acting as a real estate salesperson as that term is defined in Section 10016 of the California Business and Professions Code.~~

~~(x) Receipts (whether considered in total or measured by cost of operations in the City or any other proxy) of a mutual fund that is registered under the Investment Company Act of 1940, as amended (15 U.S.C. § 80a-1 to 80b-2), as an open end management investment company provided that it qualifies as a Regulated Investment Company under Subchapter M of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 851) (the "IRC"). However, Receipts of a mutual fund that fails to qualify under Subchapter M or of a mutual fund that receives more than ten percent of its gross income from other than qualifying sources as described in section 851(b)(2) of the IRC shall not be excluded under this paragraph. The exemption for qualified mutual funds contained in this paragraph shall apply in full only to business tax periods commencing on or after January 1, 2014, and shall be phased in as follows: For business tax periods commencing on or after January 1, 2012, and before January 1, 2013, said Receipts shall be taxed at 2/3 of the rate set forth in Section 21.33(f), and for business tax periods commencing on or after January 1, 2013, and before January 1, 2014, said Receipts shall be taxed at 1/3 of the rate set forth in Section 21.33(f).~~

~~4. When the gross receipts are derived from or attributable to activities engaged in within and without the City, gross receipts shall be allocated in a manner that is fairly calculated to determine the amount of gross receipts derived from or attributable to engaging in business in the City. This allocation shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by another method of allocation that will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City. Gross receipts derived from isolated or occasional transactions at places outside the City but within the State of California, where the registrant is not regularly engaged in a course of business transactions shall be deemed to be gross receipts derived from engaging in business in the City. Gross receipts derived from or attributable to sources within this City include: (a) gross receipts from tangible or intangible property located or having situs in this City; and (b), when not contrary to law, gross receipts from any activities~~

carried on in this City regardless of whether carried on in interstate, intrastate or foreign commerce.

~~5.—Allocation formulae designed to carry into effect the purpose of this subsection shall be adopted by the Director of Finance by rules and regulations. The Director of Finance is hereby authorized, in the application to individual cases of the rules and regulations and the formulae they contain, to make any modifications in formulae that may be necessary to carry out the intent of this subsection. If the Director of Finance reallocates gross receipts upon the Director’s examination of any return, the Director of Finance shall, upon the written request of the registrant, disclose to the registrant the basis upon which the reallocation has been made.~~

Section 21.53 (“AMUSEMENT PARK”) is repealed as follows:

~~For every person engaged in the business of conducting an amusement park, the tax shall be \$923.83 per quarter.~~

~~For the purpose of this section, an amusement park shall mean any grounds or enclosure wherein concessions and adult rides of a permanent nature and having a fixed location are situated and shows or exhibitions are presented, shown, staged, or offered to the public.~~

~~For the purpose of this section, adult rides shall be defined to include any Ferris wheel, scenic railway, merry go round, swing, or similar device offered for the amusement of the public for a fee or charge and not of a miniature type intended primarily for the use of children; and, concession shall be defined to include any permanent booth or stand or any space, court or area at or in which any game or test of skill, science or amusement is offered and at or in which the public is permitted or invited to participate for a fee or charge. Concessions shall not include coin-operated games of skills, science or amusement.~~

Section 21.55 (“AUCTIONEER”) is repealed as follows:

~~For every individual person who as an employee or as an independent contractor engages in the business of auctioneer, the tax shall be \$886.88 per year or fractional part thereof.~~

Section 21.62 (“BILLIARDS, ETC.”) is repealed as follows:

~~For every person engaged in the business of conducting or operating any pool or billiard room, or who for a fee or charge of any kind lets to players the use of any pool table, billiard table or similar device, or who keeps any such table or device available for such use, the tax shall be \$106.43 per year for each table or device, whether used or not, which is kept upon the premises. This section shall apply regardless of whether the table is maintained as an incident to the conduct or operation of a social or athletic club, or as an adjunct of any other private institution or activity, if a charge is imposed for the use thereof.~~

Section 21.63 (“AMUSEMENT MACHINES”) is repealed as follows:

~~For every person who lets or permits, upon premises over which the person has control, the use or operation of any amusement machine, device, game or apparatus, except such machines, devices, games or apparatus as are described and referred to in Sections 21.64 or 21.70 of this article, and the operation or use of which results from, or is permitted or allowed by, insertion of any coin, slug or token of value into the machine, device, game or apparatus, or any device attached thereto, or by the payment of any fee or fees, the tax shall be \$22.17 per year or fractional part thereof for each such machine, device, game or apparatus, whether or not such person is the owner of such machine, device, game or apparatus.~~

Section 21.64 (“COIN-OPERATED PHONOGRAPHS AND MUSIC MACHINES”) is repealed as follows:

~~(a) For every person who lets or permits, upon premises over which the person has control, the use of any coin-operated phonograph, television instrument, radio or other device for the playing or furnishing of music or other programs, the operation of which results from the insertion of a coin, slug or token of value, whether placed or inserted directly into such machine, or into a device causing its operation, the tax shall be \$22.17 per year or fractional part thereof for each such machine or device, whether or not such person is the owner of such machine or device.~~

~~(b) The tax imposed under this section shall not apply to a person letting or permitting the use of any such device in any room used solely for dwelling purposes and which was installed for the use of the occupants thereof; but a person engaged in the business of maintaining or operating any such coin-operated machine installed for use by occupants of dwelling quarters, shall be taxed under the provisions of Sec. 21.65.1.~~

Section 21.65.1 (“COIN-OPERATED SCALES AND SERVICE MACHINES”) is repealed as follows:

~~(a) For every person engaged in the business of operating, maintaining or letting the use of any coin-operated scales, weighing device, baggage checking device, radio, television, or any other coin-operated machine or device, and not otherwise specifically taxed or specifically exempted from tax under any other section of this article, whether or not of the same general character as those specifically enumerated here, which renders any service or furnishes any program or information in return for a coin or token of value and is installed or maintained for profit or gain, the tax shall be \$22.17 per year or fractional part for each machine or device.~~

~~(b) Except as otherwise provided in this section, each coin-operated machine or device described in Subsection (a) that is operated, maintained or used within this City shall have conspicuously stamped upon it or affixed on it for identification purposes, the name and address, Business Tax Registration Certification number, and the telephone number,~~

~~if any, of the owner or operator. The identification shall be provided by the owner or operator of the machine or device, at the owner's or operator's expense, notwithstanding the provisions of Section 21.06(b) to the contrary, and shall be removed from, the machine or device by the owner or operator when the authority to use the machine or device is transferred to another person, whether by sale, lease, license or otherwise.~~

~~(e) **Exemptions.** Nothing contained in this section shall be construed to require the payment of any business tax for any coin-operated machine or device used in the operation of any automatic telephone, or any coin box for the receipt of fares on any carrier, or any coin receiving device the use of which is merely incidental to the conduct of a business operating under any franchise or specifically taxed by other provisions of this article.~~

Section 21.70 ("BOWLING ALLEY, SKEE-BALL SHUFFLEBOARD, ETC.") is repealed as follows:

~~For every person engaged in the business of operating any bowling alley, ping-pong court, skee-ball machine, alley or court, or any shuffleboard table or court, or who, in the conduct of any business, uses, operates or maintains any such alley, court, table or machine, or rents or lets the use of any such alley, court, table or machine for the purpose of being used in playing any of the aforementioned games, the tax shall be \$54.99 per year or fractional part thereof for each such alley, court, table or machine, provided that nothing in this section or in this article shall require the payment of a tax for engaging in the activities set forth in this section when engaged in by a bona fide social club which is organized for social purposes and maintains or operates the facilities required for the members of the club as an incident to the purpose of the club and not as a primary purpose thereof.~~

Section 21.74. ("CIRCUSES") is repealed as follows:

~~(a) **"CIRCUS"** shall mean an exhibition or entertainment at which feats of horsemanship, acrobatic feats and trained, or wild animals are exhibited or displayed in the City of Los Angeles to which exhibition or entertainment an admission fee is charged, and which exhibition or entertainment is conducted by a person having no regular established place of business in the City of Los Angeles for the exhibition thereof.~~

~~(b) For every person engaged in the business of conducting a circus or similar exhibition, the tax shall be:~~

~~For a seating capacity of 11,000 or more, \$6,652.00 for the first day, and \$3,548.00 for each additional day;~~

~~For a seating capacity of 8,000 or more, and less than 11,000, \$4,434.00 for the first day, and \$2,661.00 for each additional day;~~

~~For a seating capacity of 5,000 or more, and less than 8,000, \$2,661.00 for the first day, and \$1,552.00 for each additional day;~~

~~For a seating capacity of 1,000 or more, and less than 5,000, \$1,552.00 for the first day, and \$887.00 for each additional day;~~

~~For a seating capacity of less than 1,000 and more than 300, \$222.00 for the first day, and \$133.00 for each additional day;~~

~~For a seating capacity of 300 or less, \$133.00 for the first day, and \$89.00 for each additional day.~~

~~(e) Notwithstanding the provisions of Subsection (b), for every person conducting a circus or similar exhibition where the principal performance takes place in a permanent structure such as a theatre, arena, stadium, auditorium, amphitheatre or similar structure, the tax shall be \$887.00 per day.~~

Section 21.75 (“SIDE SHOWS, CARNIVALS, CONCESSIONS”) is repealed as follows:

~~(a) For every person engaged in the business of conducting a side show, or an after show to the circus, where a separate fee of \$0.75 or less, is charged, received or collected, the tax shall be \$44.34 per day; where the fee charged, received or collected amounts to more than \$0.75, but less than \$1.50, the tax shall be \$88.69 per day; where the fee charged, received or collected, is \$1.50 or more the tax shall be \$177.38 per day.~~

~~(b) For every person operating or conducting any carnival, the tax shall be \$88.69 for each concession for the first day of the carnival and \$44.34 for each concession for each additional day.~~

~~(c) For the purpose of this section, a “carnival” means any fair, festival or like activity of a temporary nature having a concession or concessions. A “concession” is defined to include any booth or stand or any space, court or area at, or in which, any game or test of skill, science or amusement is offered and at or in which the public is permitted or invited to participate for a fee, charge or donation.~~

~~(d) When the carnival is sponsored solely by a religious, charitable, educational, civic, veteran or other non-profit benevolent organization, or by a group of these organizations, the organization or group shall be deemed to be the person operating or conducting the carnival. Provided, however, that in the event any person other than this organization or group receives any proceeds or personal gain or profit by operating or participating in the operation of any concession in, at or adjacent to the carnival on behalf of the person or on behalf of any person other than the sponsoring organization or organizations, that person shall be deemed to be the person operating or conducting the carnival.~~

~~(e) In the case of more than one non-sponsoring operator or conductor, each shall be jointly and severally liable and responsible for making application for the business tax registration certificate and for payment of the business tax for the carnival; provided, however, if one non-sponsoring operator or conductor has also rented, leased or otherwise furnished for use in the carnival equipment as concession booths or stands, or games or tests of skill, science or amusement, that person shall be deemed to be the operator or conductor of the carnival; and if more than one non-sponsoring operator or conductor has rented, leased or furnished equipment to the carnival, that person whom the Director of Finance, after full investigation of all the facts, determines to be the one who has leased, rented or furnished the greater amount of equipment shall be deemed to be the operator or conductor of the carnival.~~

~~(f) Where the operator or conductor of the carnival is a religious, charitable, educational, civic, veteran or other non-profit benevolent organization, or a group of these organizations, and the net proceeds of the carnival are to be used exclusively for religious, charitable, benevolent, educational or civic purposes, the operator or conductor shall be entitled to a tax exempt registration certificate upon application and qualification for the certificate as provided in this subsection.~~

~~The application for this exemption shall be made in the manner provided in Section 21.22 of this article not less than 30 calendar days prior to the starting date of the carnival; provided however, an application for this exemption, which is not filed within the time period prescribed here, may be accepted by the Director of Finance upon a showing that the failure to file a timely application was not a result of an intentional disregard of the prescribed statutory provisions. The Board of Police Commissioners shall investigate as provided in Section 21.22 and shall forward its report to the Director of Finance at least 16 calendar days prior to the starting date of the carnival in all cases where the application has been timely filed; otherwise the report shall be forwarded within 16 calendar days subsequent to the filing of the application for the exemption. If the report certifies that the sponsorship of the carnival and the use to be made of the net proceeds meet the requirements of this subsection for a tax exempt registration certificate, and if all other charges, fees and taxes required to be paid to the Director of Finance by reason of the operation of the carnival or activities conducted in connection with the carnival have been paid, the Director of Finance shall issue a tax exempt registration certificate. Any application not reported upon by the Board of Police Commissioners within the time limits prescribed here shall be deemed to be approved and the Director of Finance may issue the tax exempt certificate in lieu of payment of the tax.~~

~~If at any time the carnival or any part of it is conducted in a manner which, had it been disclosed in the application for the exempt certificate approved by the Board of Police Commissioners, would not have entitled the organization or organizations conducting the carnival to a tax exempt registration certificate, or if the net proceeds from the carnival are not used for the purposes stated in this subsection, if any tax exempt registration certificate so issued shall be void and the full amount of the business tax for the carnival~~

~~shall be immediately due and payable to the City, and no other tax exempt registration certificate for a carnival shall be issued to the sponsoring organization or organizations until the tax has been paid.~~

~~(g) No business tax registration certificate and no business tax shall be required for any religious, charitable, educational or other non-profit benevolent institution to operate or conduct a carnival held within and upon buildings or grounds owned or occupied by the institution where none of the rides set forth in Section 21.94 are operated in, at or adjacent to the carnival and the concessions of the carnival are operated exclusively by and for the entertainment or benefit of the members of that institution and the net proceeds derived from the concessions are not used for the purpose of private gain to any individual but are used wholly for the benefit of the organization or for charitable or benevolent purposes; provided, that no advertising for the carnival is placed, exhibited, shown, or otherwise permitted outside the premises of the buildings or grounds and the non-member public is not invited to participate in or attend the carnival.~~

~~(h) No tax shall be required for any person conducting or operating a carnival at any fair, festival or like activity of a temporary nature conducting or operated by a California Agricultural District.~~

~~(i) For every person engaged in the business of conducting a circus procession or circus parade, and not having a registration certificate for conducting, managing or carrying on a circus within the limits of the City of Los Angeles, the tax shall be \$4,434.00 for each procession or parade.~~

Section 21.83 (“DANCE HALL”) is repealed as follows:

~~(a) “DANCE HALL” shall mean any place where the business of holding or conducting public dances is regularly carried on provided that nothing in this section contained shall be deemed or construed to require the holder of a registration certificate to conduct the business of a public dance hall to procure any additional registration certificate to conduct a dancing academy, provided that such dancing academy is conducted at the same location and under the same management as the public dance hall.~~

~~(b) For every person engaged in the business of conducting any public dance hall, the tax shall be:~~

~~For 1,000 square feet or less of dance floor area in such dance hall, \$133.05 per quarter;~~

~~Over 1,000 square feet and not more than 2,000 square feet, \$254.90 per quarter;~~

~~Over 2,000 square feet and not more than 3,000 square feet, \$365.75 per quarter;~~

~~Over 3,000 square feet and not more than 4,000 square feet, \$465.60 per quarter;~~

~~Over 4,000 square feet and not more than 5,000 square feet, \$554.30 per quarter;~~  
~~Over 5,000 square feet and not more than 6,000 square feet, \$631.80 per quarter;~~  
~~Over 6,000 square feet and not more than 7,000 square feet, \$698.35 per quarter;~~  
~~Over 7,000 square feet and not more than 8,000 square feet, \$753.85 per quarter;~~  
~~Over 8,000 square feet and not more than 9,000 square feet, \$798.20 per quarter;~~  
~~Over 9,000 square feet and not more than 10,000 square feet, \$831.35 per quarter;~~  
~~Over 10,000 square feet and not more than 11,000 square feet, \$853.55 per quarter;~~  
~~Over 11,000 square feet, \$853.55 per quarter, plus \$11.00 per quarter for each additional 1,000 square feet or fractional part thereof.~~

Section 21.85 (“PUBLIC DANCE”) is repealed as follows:

~~For every person conducting or staging any public dance, whether for profit or not, to which the public at large is admitted or in which the public at large is allowed to participate, the tax shall be \$177.38 per day.~~

Section 21.94 (“RIDES”) is repealed as follows:

~~(a) For every person engaged in the business of conducting or operating a ferris wheel, scenic railway, or any ride by boat or car for the amusement of the public, any merry-go-round, swing or similar device, the tax shall be \$443.44 per year or fractional part thereof.~~

~~(b) The provisions of this section shall not apply to the holder of a registration certificate issued in connection with the conduct of an amusement park under other sections of this article.~~

~~(c) No tax shall be required for any person conducting or operating a ride at any carnival, fair, festival or like activity of a temporary nature conducted or operated by a California Agricultural District.~~

Section 21.108 (“MONEY LENDERS”) is repealed as follows:

~~(a) Subject to the exceptions stated here, for each person engaged in the business of lending money, advancing credit or lending credit, or arranging for the loan of money or advancing of credit or lending of credit, for and on the person’s own behalf or on behalf of any other person as principal, agent or broker, whether security of any kind is taken for the loan or advance or not, or purchasing or discounting or arranging for the purchase or discounting of any obligation or evidence of money due or to become due, whether the~~

~~obligation or evidence is secured or guaranteed or not, and whether the person so purchasing or arranging for the purchase of items and acts mentioned above, as principal, agent or broker, the tax shall be \$2,660.63 per year.~~

~~(b) The tax imposed under the provisions of Subsection (a) shall not apply to the business of lending money or advancing credit or arranging for the loan of money or the advancing of credit as principal or agent, where the obligation to repay the money lent or debt incurred or to compensate for the advance of credit is secured by a lien on real property, or some interest in real property; nor shall the provisions of this section apply to the business of purchasing, either as principal or agent, any debt or evidence of debt secured by any lien upon real property; nor shall the provisions of this section apply to any transaction involving the purchase or sale of real property. All persons engaged in businesses as are described in this subsection shall be subject to tax under Section 21.49, Professions and Occupations.~~

~~(c) The tax imposed under the provisions of Subsection (a) shall not apply to a person who, in the conduct of another business in the City, engages in a business of the kind described in Subsection (a) solely with customers or suppliers of that other business; nor shall the tax apply to a person engaged in this type of business, whether or not the relation of customer or supplier exists, when the person confines the business dealings to other persons who are their employees, stand in the relation of parent or subsidiary to the person, are so constituted as to have substantially common ownership with the person or are employees of any person who is the person's parent or subsidiary or has substantially common ownership with the person; provided, however, if the other business is subject to a tax under this article measured by gross receipts, all interest and other charges received as a result of the activity described in Subsection (a) shall be included in the gross receipts by which the tax elsewhere imposed by this article is measured; and if the other business is not subject to a tax measured by gross receipts, or if there is no other business, the person shall pay a tax under the provisions of Section 21.49, Professions and Occupations, for engaging in the kind of activity described in Subsection (a).~~

Section 21.109 (“MOTION PICTURE, TELEVISION AND RADIO PRODUCERS”) is repealed as follows:

~~(a) For the purposes of this section a motion picture, television, or radio producer is a person who engages in the business of producing motion pictures, television programs, radio programs or advertising material for such media, including pictures or programs in which animation is used. Said businesses include, but are not limited to, the development of a story, whether based on fact or fiction, the photographing of the story or program, whether by means of photographic film, magnetic tape, or other device, the recording of the program, and the cutting, scoring, editing, and final preparation of the picture, program or commercial for release or viewing, and when performed by a person engaged in the foregoing activities also includes either or both of the following:~~

1. ~~The lending by a motion picture, television, or radio producer of the services of employees for which the producer has contracted to one or more other producers; and~~
2. ~~The furnishing of motion picture, television or radio studio facilities to other such media producers where the facilities include, in addition to physical equipment, the services of technicians such as camera operators, sound engineers, carpenters, electricians and set decorators.~~

~~Every person engaged in the business of being a motion picture, television, or radio producer shall pay a tax in the amount provided in Subsection (c). The measure of the tax in each instance shall be the total of the following sums: the gross cost of production of motion pictures, television programs, radio programs and advertising materials; the gross receipts received by the producer in return for the lending of the services of employees as described herein; and the gross receipts received by the producer in return for the furnishing of studio facilities in the manner described herein.~~

~~(b) Every person engaged in the business of reconstructing motion pictures, television programs or commercials by synchronizing pictures with sound, or making or producing sound scores, other than a sound score made or produced by a motion picture, television or radio producer in the preparation for release of a production, shall pay a tax measured by the gross cost of the work done in the amount provided in Subsection (c).~~

~~(c) The taxes imposed for the privilege of engaging in the businesses described in this section shall be \$145.00 per year or fractional part thereof for the first \$5,000,000.00 of the measure of tax, plus \$1.30 per year for each additional \$1,000.00 of the measure of tax or fractional part thereof in excess of \$5,000,000.00, provided that the maximum tax shall be \$9,245.00 for all measures of tax greater than \$12,000,000.00.~~

~~(d) Any motion picture, television, or radio producer as defined in Subsection (a) of this section and subject to the tax imposed by this section, shall not be subject to tax under Section 21.45 of this article for production activity.~~

Section 21.142 (“STEVEDORES”) is repealed as follows:

~~(a) For every person engaged in the business of stevedoring from a fixed place of business within the City of Los Angeles, the tax shall be \$106.43 per year or fractional part thereof, plus \$8.87 per year or fractional part thereof for each employee, plus (i) \$177.38 per year or fractional part thereof if there are more than 24 and less than 100 employees, or (ii) \$302.72 per year or fractional part thereof if there are more than 99 employees.~~

~~(b) “**Stevedoring**” shall mean the business of loading and unloading cargo on and from vessels supplying and supervising labor and supplying and operating equipment for such loading and unloading, and performing port terminal operations such as management consulting and data processing in connection with such loading and unloading.~~

~~(c) For the purpose of Subsection (a) of this section “employees” shall mean the sum of the number of individuals who are permanently employed by such person within the City of Los Angeles as of the 15th day of each of the 12 calendar months immediately preceding the due date of the tax, divided by 12, with any remainder constituting another employee.~~

~~(d) Engaging in the business of stevedoring without a fixed place of business within the City shall not subject any person to taxation under the provisions of Section 21.49, defined as Professions and Occupations, of this article.~~

Section 21.167.1 (“SALES OF FIREARMS AND AMMUNITION”) is repealed as follows:

~~(a) For every person selling any firearms and ammunition, the tax shall be \$106.43 per year or fractional part thereof for the first \$18,000.00 or less of gross receipts, plus \$5.91 per year for each additional \$1,000.00 of gross receipts or fractional part thereof in excess of \$18,000.00.~~

~~(b) For the purpose of this section:~~

~~1. The term “Firearms” shall be defined as any pistol, revolver, rifle, shotgun or other device, designed to be used as a weapon, from which a projectile is expelled through a barrel by the force of an explosion or any other form of combustion, or any device which is capable of being altered so as to expel a projectile in such manner.~~

~~2. The term “Ammunition” shall be defined as any projectile designed to be expelled through the barrel of a firearm by the force of any explosion or other form of combustion.~~

Section 21.168.3 (“CERTAIN SOLICITORS DEEMED EMPLOYEES”) is repealed as follows:

~~Any person who goes from place to place to solicit sales of goods, wares or merchandise of another person, or to sell and deliver the goods, wares or merchandise of another person or the person’s products exclusively, is deemed for the purposes of this article to be the employee of the other person and not liable for payment of business tax for the sales or delivery, provided that the person deemed here to be the employer shall pay to the City all business tax measured by the gross receipts from the sales computed at the rate provided in Sections 21.42 or 21.44, whichever is applicable. The Director of Finance shall issue a Registration Certificate in the manner provided in this article to any person deemed in this section to be an employer who undertakes to pay business tax in the manner provided here.~~

Section 21.168.5 (“CERTIFIED PRODUCERS DEEMED EMPLOYEES”) is repealed as follows:

~~(a) Any person who is a certified producer and who sells goods, wares or merchandise at a certified farmer’s market is deemed for the purposes of this article to be the employee~~

~~of the operator of the certified farmer's market and not liable for payment of business tax for the sales provided that the operator shall pay to the City business taxes measured by the gross receipts from the sales computed at the rate provided in Section 21.44. The Director of Finance shall issue a registration certificate in the manner provided in this article to any operator deemed in this section to be an employer who undertakes to pay business taxes in the manner provided here.~~

~~(b) For the purpose of this section a certified producer shall mean a person authorized by the County Agricultural Commissioner to sell directly to consumers at a certified farmer's market products produced upon land which is controlled by such person.~~

~~(c) For the purpose of this section a certified farmer's market shall mean a location approved by the County Agricultural Commissioner where products may be sold by certified producers directly to consumers and which is operated by one or more certified producers, a nonprofit organization or a local government agency.~~

Section 21.169 ("CHRISTMAS TREES") is repealed as follows:

~~For every person engaged in the business of selling or offering for sale Christmas trees at retail, and not from a fixed place of business dealing in other commodities and previously taxed under Section 21.44 of this article, the tax shall be \$29.56 per quarter or fractional part.~~

Section 21.171 ("RETAILERS OF NEW PASSENGER MOTOR VEHICLES") is repealed as follows:

~~(a) Notwithstanding the provisions of Section 21.44, all gross receipts from the retail sales of new passenger motor vehicles by a dealer of new passenger motor vehicles are exempt from taxation under this Article.~~

~~(b) For the purpose of this Section:~~

~~1. A "**dealer of new passenger motor vehicles**" is a person who acquires for resale new and unregistered passenger motor vehicles from manufacturers or distributors of those motor vehicles. A "**dealer of new passenger motor vehicles**" must be subject to and comply with the provisions of Chapter 6 of Division 2 of the California Vehicle Code (i.e., the requirements of the New Motor Vehicle Board).~~

~~2. The term "**motor vehicle**" shall have the same meaning as that set forth for "**motor vehicle**" in California Vehicle Code Section 415, as of the effective date of this Section.~~

~~3. This Section shall only apply to the sale of passenger vehicles. A "**passenger vehicle**" shall have the same meaning as that set forth for "**passenger vehicle**" in California Vehicle Code Section 465 as of the effective date of this Section. "**Passenger vehicle**" shall not include housecars, mobile homes, motorcycles, motor driven cycles,~~

~~motorized bicycles, motorized quadricycles, motorized scooters or similar motorized vehicles.~~

~~(c) This section and the tax treatment for retailers of new passenger motor vehicles shall be operative effective January 1, 2013, through the 2020 tax year.~~

Section 21.187 (“COMMON CARRIER BUS”) is repealed as follows:

~~(a) For the purpose of this section the following words and phrases shall be defined as follows:~~

~~1. The word “**bus**” shall include motorbus, motor coach, trolley bus, omnibus, passenger stage, or similar vehicle using either a self-contained source of power or power obtained from another source such as an overhead trolley system not operated upon fixed tracks or rails, and primarily designed for the transportation of more than seven passengers, excluding the driver.~~

~~2. The word “**operator**” shall mean any person engaging in the business, either directly or indirectly, as a common carrier in the transportation of persons by bus, upon any street in this City.~~

~~3. The phrase “**bus revenue mile**” shall mean the operation, for one mile, of a bus then and there made available for use as a common carrier in the transportation of persons or property for hire.~~

~~4. The phrase “**base week**” shall mean the third week in January, the third week in April, the second week in July, and the first week in October; provided that the Director of Finance may from time to time order that there be substituted in lieu of any of the four weeks hereinabove designated the week next preceding or next succeeding such designated week. In the event of any such order by the Director of Finance the operator shall be notified thereof at least ten days prior to the first day of the substituted week. The word “**week**” means a Sunday and the six next succeeding days.~~

~~5. The phrase “**gross receipts**” shall have the same meaning as that set forth in Sec. 21.00(a) of this Code and shall include the total gross receipts of the operator, together with the full cash value of any consideration received in a form other than cash from:~~

~~(i) The transportation of persons and property by bus, as a common carrier, and from advertising and all other privileges or services in, on, or by buses while being so operated, including receipts from the sale of tokens, tickets, and passes, and from all contracts by the terms of which the operator agrees to furnish transportation by bus, as a common carrier, whether or not such transportation be actually furnished; and~~

~~(ii) The rental~~

~~(A) of any bus operated in this City as a common carrier;~~

~~(B) of property operated, installed, or maintained in any street in the City for use in connection with the operation of any bus as a common carrier;~~

~~(C) from permitting others to use or occupy any part thereof; and~~

~~(D) from allowing to others any privilege whatsoever with respect thereto; provided that for any operator transporting passengers in areas outside this City, only that proportion of Item (i) shall be included, which the number of bus revenue miles operated in this City in the last four consecutive base weeks, the latest of which terminates within the next preceding tax period, bears to the total number of bus revenue miles operated in said base weeks.~~

~~(b) Every person engaged in the business of transporting persons as a common carrier for hire, by bus, upon or over any street in this City, which business includes the loading or discharging of passengers on the streets of this City, shall pay for each calendar year or portion thereof (or, if required by the Director of Finance, for each calendar quarter or portion thereof) commencing January 1, 1971, a sum equal to 1.48% of the gross receipts of the next preceding tax period, but not less than \$14.78 per year or \$3.67 per quarter, as the case may be.~~

~~(c) The provisions of this section shall not apply to:~~

~~1. Any municipal corporation or other public entity.~~

~~2. The gross receipts derived from, or the bus revenue miles traveled by, any bus while being operated solely pursuant to any registration certificate issued under any other section of this article.~~

~~3. The business of operating busses in this City pursuant to a franchise granted by ordinance of this City, which franchise provides for payment to this City of not less than 2 1/2% of the gross receipts. The exemption extended by this subsection shall apply to all such franchise operations commencing January 1, 1947.~~

~~(d) If any subsection, sentence, clause, phrase or portion of this section is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this section. The Council of this City hereby declares that it would have adopted this section and each subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.~~

Section 21.188 (“CONTRACTORS”) is repealed as follows:

For every person engaged in business as a contractor, the tax shall be \$165.60 per year or fractional part for the first \$60,000.00 or less of gross receipts, plus \$1.09 per year for each additional \$1,000.00 of gross receipts or fractional part in excess of \$60,000.00; provided that every contractor having a fixed place of business in the City of Los Angeles shall pay, in addition to the tax computed in the manner set forth above, a further tax of \$2.76 per year for each \$1,000.00 or fractional part of all salaries, wages, fees and other compensation paid to the contractor's employees or consultants, other than legal or accounting consultants, for services rendered by the employees and consultants in the City of Los Angeles in connection with jobs and projects located outside the City.

1. The term "contractor" as used here means any person, except an owner who contracts for a project with another person who is licensed by the State of California as a contractor or architect or registered civil engineer acting solely in their professional capacity, who in any capacity other than as an employee of another with wages as the sole compensation, undertakes to, or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does themselves or by or through others construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation, or other structure, project, development or improvement, or to do any part of those actions, including the erection of scaffolding, or other structures or works in connection with that work.

2. The meaning of the term "gross receipts," as used here, shall be that set forth in Section 21.00(a) and shall also include the total cost of the job or project covered by the contract to which the contractor is a party, without deduction for subcontracts, and irrespective of whether the contract is one on a fixed price or on a cost plus basis or one under the terms of which the contractor acts as agent for the owner. The term "gross receipts," however, shall include only receipts from jobs or projects located within the City limits of the City of Los Angeles.

Section 21.193 ("SALE OF REAL PROPERTY") is repealed as follows:

For every person engaged in the business of developing and selling real property in which the person has equity or title, the tax shall be \$165.60 per year or fractional part for the first \$60,000.00 or less of gross receipts, plus \$2.76 per year for each additional \$1,000.00 of gross receipts or fractional part in excess of \$60,000.00.

1. **Real Property Seller** means a person engaged in the business of developing and selling real property in which the person has equity or title.

2. A person shall be deemed to be engaged in the business of Real Property Sales if the person:

(i) As a subdivider, as that term is defined in Section 11508 of the Business and Professions Code, has recorded a subdivision map respecting the property sold in accordance with the Subdivision Map Act of California, provided, however, that a person

~~filing or joining in the filing of a subdivision map for the sole purpose of accomplishing a street vacation shall not be considered a subdivider; or~~

~~(ii) Has prior to sale, divided the property held pursuant to the “lot split” regulations of the Los Angeles Municipal Code (commencing at Section 17.50); or~~

~~(iii) Sells two or more pieces of real property within a calendar year and upon each of which a building was constructed or caused to be constructed by the seller, provided the sales were within three years of the recordation by anyone of a subdivision map respecting the property sold pursuant to the Subdivision Map Act; or~~

~~(iv) Sells any real property upon which the person has constructed or caused to be constructed an apartment house or commercial building, provided the sale is either prior to or within three years after the issuance of a Certificate of Occupancy or its equivalent respecting the property sold.~~

~~3. For purposes of this section, the term “gross receipts” shall not include:~~

~~(i) proceeds realized from the sale of property:~~

~~a. through foreclosure; or~~

~~b. to an agency proposing to take the land under eminent domain proceedings; or~~

~~c. through the exercise of a power of sale contained in a deed of trust or mortgage; or~~

~~d. through bankruptcy; or~~

~~e. through assignment for the benefit of creditors; or~~

~~f. through court order; or~~

~~(ii) the unpaid balance on the date of sale of any encumbrance of record upon the property;~~

~~(iii) existing prior to the sale and remaining in existence between the same parties following the sale;~~

~~(iv) existing of record 180 days prior to the date of sale; or~~

~~(v) existing prior to the sale and with respect to which a deficiency judgment is prohibited under the provisions of California Code of Civil Procedure Section 580b, whether or not it is extinguished by reason of the sale.~~

~~4. No person shall engage in this business or perform any act required to be taxed under this section during any tax period without first obtaining a registration certificate and paying a tax in the minimum amount of \$165.00.~~

~~5. At the close of each tax period, the person shall file a statement with the Director of Finance setting forth the amount of gross receipts derived from the business for that period, and shall pay on or before the last day of February in the next subsequent tax period any additional tax that may be due under this article for the preceding expired tax period.~~

~~6. In the event the business is discontinued, dissolved or otherwise terminated before the close of the tax period, the required statement of gross receipts shall then be filed, and any additional tax due under this section shall be paid on or before the close of business on the last day of the month following the month in which discontinuance, dissolution or termination occurred.~~

~~7. When any person's activities occurring both within and without the City contribute to the production of receipts from the business taxed under this section, the person's gross receipts shall be apportioned in a manner that is fairly calculated to determine the amount of gross receipts derived from or attributable to engaging in business in the City. The apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by another method of apportionment that will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City. In the absence of substantial information to the contrary, 80% of the total gross receipts shall be deemed attributable to activities conducted in the jurisdiction in which the subject real property is located and 20% of the total gross receipts shall be deemed attributable to activities conducted in the jurisdiction in which is located a place or premises, other than the subject real property, from which business activities are conducted. The percentages may be increased or decreased by the Director of Finance where after consideration of all of the facts, circumstances warrant the deviation.~~

~~8. The sale of any real property, which would not subject the owner to taxation under the provisions of this section, shall not subject the owner to taxation under the provisions of Section 21.49, Professions and Occupations, of this article.~~

Section 21.194 ("TRANSPORTING PERSONS FOR HIRE") is repealed as follows:

~~(a) **Definitions:**~~

~~1. **Operator.** The term "**operator**" is used in this section as defined in the Motor Vehicle Transportation License Tax Act of California, with reference only, however, to persons engaging in the transportation of persons for hire.~~

~~2. **Transportation for Hire.** The term “**transportation for hire**” shall be deemed to include transportation for gain or profit, direct or indirect.~~

~~3. **Motor Vehicle.** The term “**motor vehicle**” is used in this section as defined in the Motor Vehicle Transportation License Tax Act of California.~~

~~(b) **Tax Imposed.**~~

~~1. Every person whose business in whole or in part is that of operator, as defined herein, of any motor vehicle for the transportation of persons for hire, and who in the course of that business uses the public streets and highways of the City for the purpose of such business, shall pay a business tax as provided in this section.~~

~~2. The business taxed under the provisions of this section shall be the transportation of persons by an operator:~~

~~(i) Wholly within the City;~~

~~(ii) From a place or places outside the City to a place or places within the City;~~

~~(iii) From a place or places within the City to a place or places outside of the City;~~

~~(iv) From a place or places within the City to a place or places also within the City even though such transportation involves going outside the City in the course thereof.~~

~~3. This section shall not apply to the business of operating motor coaches or other motor vehicles under the provisions of a franchise granted pursuant to provisions of the City Charter and the Franchise Procedures Ordinance of the City of Los Angeles, which requires a franchise fee or charge based upon such operations to be paid to the City of Los Angeles, when such fee or charge has been paid. Nor shall this section apply to an operator who transports persons for hire from a place or places outside the City to a place or places within the City by taxi cabs when said operator does not also transport persons for hire from a place within the City of Los Angeles.~~

~~4. No business tax shall be required to be paid for the business of operating a single taxicab in the City pursuant to a written vehicle permit issued under Section 71.02.~~

~~(c) **Measure of Tax Reporting Period.** The tax required to be paid by this section shall be reported and paid annually. Every person engaged in the business subject to tax under this section shall pay a minimum tax of \$54.99 per year at the beginning of each calendar year which shall be given as a credit against the total tax due for such year. The tax required to be paid under this section shall be measured as follows:~~

~~1. For each vehicle having a seating capacity of 10 or less persons, the tax shall be \$1.06 for each day or fraction thereof of its operation as specified in Subsection (b);~~

~~2. For each vehicle having a seating capacity of 11 to 30 persons, inclusive, the tax shall be \$1.60 for each day or fraction thereof of its operation as specified in Subsection (b); and~~

~~3. For each vehicle having a seating capacity of 31 or more persons, the tax shall be \$2.19 for each day or fraction thereof of its operation as specified in Subsection (b).~~

~~In determining seating capacity of any vehicle used to measure the tax imposed under this section, the capacity to hold adult passengers as set forth in the specifications of the manufacturer shall be the determining factor, and seats provided for the driver, and announcer or conductor, if any, shall be included in addition to such specified capacity.~~

~~(d) **Method of Reporting.**~~

~~1. No person shall engage in such business or perform any act required to be taxed under this section during any tax period without first obtaining a registration certificate and paying a minimum tax for that year in the amount of \$54.99.~~

~~2. At the close of each tax period such person shall file a statement with the Director of Finance showing the tax due setting forth a summary of the vehicles of each graduation specified in Subsection (c) above used during such proceeding tax period and the number of days or fractions thereof of such use, and shall pay on or before the last day of February in the next subsequent tax period any additional tax that may be due hereunder for such proceeding tax period.~~

~~3. In making such statement, the person may at their option elect to compute such summary and pay such tax on a "test week" basis, by separately computing the tax which would be due for each of the four test weeks specified in Subsection (d) 4 hereof, dividing the total of the tax due for the four test weeks by four to ascertain the average weekly tax, and multiplying said average weekly tax by the number of weeks of the tax period during which the conducted operations subject to tax under this section. If the person elects to compute the tax imposed hereunder on a test week basis, such elections shall be irrevocable and conclusive as to the tax period for which such election is made. Any person electing to compute such tax on a test week basis shall retain the records used for such computation for a period of four years from the date of filing such report. Upon the failure of any person electing to compute such tax on a test week basis to retain such records, the Director of Finance may determine the amount of any additional tax estimated to be due from such persons in the manner provided by Los Angeles Municipal Code Section 21.16.~~

~~4. The test weeks which may be used by a person in computing the tax imposed under this section are the second full week in January, the second full week in April, the second full week in July and the second full week in October. If a person does not conduct operations subject to tax under this section in any one or more of such test weeks, then the person may use the next succeeding week following such test week in which the~~

~~person does conduct such operations in the place of such test week; provided, however, that if a person does not conduct operations subject to tax under this section during each of the four test weeks which may, under this subsection, be used in computing the tax, such person may not elect to compute their tax on a test week basis without prior written application to and prior written approval of the Director of Finance as to what alternate test period or periods may be used.~~

~~5. In the event the business is discontinued, dissolved or otherwise terminated before the close of such tax period, the statement required by Subsection (d)2 hereof shall thereupon be filed, and any additional tax due hereunder shall be paid within 45 days following the date of such continuance, dissolution or termination.~~

~~(e) **Exemption for Vehicles Operated Exclusively in Interstate Commerce.** No tax hereunder shall be required for the operation of any motor vehicle for any day or fraction thereof when such vehicle is operated exclusively between points within this City and points without this State.~~

~~(f) **Exemptions and Exceptions.** No tax hereunder shall be required for the operation of any motor vehicle for any day or fraction thereof when such vehicle is operated exclusively between fixed termini or over regular routes in passenger stage operations under certificate issued by the Public Utilities Commission pursuant to Division 1, Part 1, Chapter 5, Article 2 of the Public Utilities Code of the State of California and for which operation a certificate of public convenience and necessity has been issued by the Interstate Commerce Commission.~~

~~(g) **Measure of Tax for Certain School Buses.** The provisions of Subsection (e) notwithstanding, the tax required to be paid under this section for the operation of any motor vehicle for any day or fraction thereof when such vehicle is operated exclusively on any day to transport students or members of bona fide youth organizations and their supervising adults to or from public or private schools, school events or other youth activities, without regard to the manner or source of compensation to the operator, shall be measured as follows:~~

~~1. For each vehicle having a seating capacity of 10 or less persons, the tax shall be \$0.30 for each day or fraction thereof of its operation as specified in Subsection (b);~~

~~2. For each vehicle having a seating capacity of 11 to 30 persons, inclusive, the tax shall be \$0.44 for each day or fraction thereof of its operation as specified in Subsection (b); and~~

~~3. For each vehicle having a seating capacity of 31 or more persons, the tax shall be \$0.60 for each day or fraction thereof of its operation as specified in Subsection (b).~~

Section 21.195 ("TRUCKING – HAULING") is repealed as follows:

~~(a) Definitions.~~

~~1. Operator. The term "operator" is used in this section as defined in the Motor Vehicle Transportation License Tax Act of California, with reference only, however, the persons engaging in the transportation of property for hire or compensation.~~

~~2. Motor Vehicle. The term "motor vehicle" is used in this section as defined in the Motor Vehicle Transportation License Tax Act of California.~~

~~3. Tractor. The term "tractor" as used herein shall mean "truck-tractor" as defined in the Vehicle Code of California.~~

~~(b) Tax Imposed. Every person whose business in whole or in part is that of operator, as defined herein, of any motor vehicle for the transportation of property for hire or compensation, and who in the course of that business uses the public streets and highways of this City for the purpose of such business, shall pay a business tax as provided in this section.~~

~~(c) Measure of Tax—Reporting Period. The tax required to be paid by this section shall be reported and paid annually. Every person engaged in the business subject to tax under this section shall pay a minimum tax of \$88.69 per year at the beginning of each calendar year which shall be given as a credit against the total tax due for such year. The tax required to be paid under this section shall be measured as follows:~~

~~1. For each motor vehicle, other than a tractor, trailer, semitrailer or dolly, used to receive or discharge, pickup or deliver property within the city, the tax shall be as follows:~~

~~Where the unladen weight thereof is 4,000 pounds or less, the tax shall be \$0.28 for each day or fraction thereof of its operation as specified in Subsection (b);~~

~~Where the unladen weight thereof is over 4,000 pounds, and not more than 8,000 pounds, the tax shall be \$0.71 for each day or fraction thereof of its operation as specified in Subsection (b); and~~

~~Where the unladen weight thereof is over 8,000 pounds, the tax shall be \$0.78 for each day or fraction thereof of its operation as specified in Subsection (b).~~

~~2. For each tractor which is so used to haul one or more trailers or semitrailers, the tax shall be \$0.78 for each day or fraction thereof of its operation as specified in Subsection (b).~~

~~(d) Method of Reporting.~~

1. ~~No person shall engage in such business or perform any act required to be taxed under this section during any tax period without first obtaining a registration certificate and paying a minimum tax for that year in the amount of \$88.69.~~
2. ~~At the close of each tax period such person shall file a statement with the Director of Finance showing the tax due and setting forth a summary of the vehicles of each graduation specified in Subsection (c) above used during such preceding tax period and the number of days or fractions thereof of such use, and shall pay on or before the last day of February in the next subsequent tax period any additional tax that may be due hereunder for such preceding tax period.~~
3. ~~In making such statement, the person may at their option elect to compute such summary and pay such tax on a "test week" basis, by separately computing the tax which would be due for each of the four test weeks specified in Subsection (d)4 hereof, dividing the total of the tax due for the four test weeks by four to ascertain the average weekly tax, and multiplying said average weekly tax by the number of weeks of the tax period during which the person conducted operations subject to tax under this section. If the person elects to compute the tax imposed hereunder on a test week basis, such election shall be irrevocable and conclusive as to the tax period for which such election is made. Any person electing to compute such tax on a test week basis shall retain the records used for such computation for a period of four years from the date of filing such report. Upon the failure of any person electing to compute such tax on a test week basis to retain such records, the Director of Finance may determine the amount of any additional tax estimated to be due from such person in the manner provided by Los Angeles Municipal Code Section 21.16.~~
4. ~~The test weeks which may be used by a person in computing the tax imposed under this section are the second full week in January, the second full week in April, the second full week in July and the second full week in October. If a person does not conduct operations subject to tax under this section in any one or more of such test weeks, then the person may use the next succeeding week following such test week in which the person does conduct such operations in the place of such test week; provided, however, that if a person does not conduct operations subject to tax under this section during each of the four test weeks which may, under this subsection, be used in computing the tax, such person may not elect to compute their tax on a test week basis without prior written application to and prior written approval of the Director of Finance as to what alternate test period or periods may be used.~~
5. ~~In the event the business is discontinued, dissolved or otherwise terminated before the close of such tax period, the statement required by Subsection (d)2 hereof shall thereupon be filed, and any additional tax due hereunder shall be paid within 45 days following the date of such discontinuance, dissolution or termination.~~

~~(e) **Exception for Vehicle Operated Exclusively in Interstate Commerce.** No tax hereunder shall be required for the operation of any motor vehicle for any day or fraction thereof when such vehicle is operated exclusively between points within this City and points without this State.~~

~~(f) **Exemption and Exceptions.** No tax under this section shall be required to be paid by any person who is subject to tax under the Household Goods Carriers Uniform Business License Tax Act or the Motor Carriers of Property Permit Fee Act.~~

Section 21.196 (“MISCELLANEOUS TRUCKING”) is repealed as follows:

~~(a) **Definitions.** For purposes of this section, the term “**motor vehicle**” is defined to mean the same as that term is defined in the Motor Vehicle Transportation License Tax Act of California; the term “**trailer**” and “**semi-trailer**” are used as those terms are defined in the Vehicle Code of California; the term “**tractor**” shall mean a “**truck tractor**” as defined in the Vehicle Code of California.~~

~~(b) **Tax Imposed.** Every person engaged in any business not otherwise specifically taxed by other provisions of this article who uses any motor vehicle over the public streets and highways of this City for hauling or carrying the person’s tools, equipment or supplies, or for delivering or carrying goods, wares or merchandise sold, let or handled by the person in the course of their business, shall pay a business tax as provided in this section.~~

~~(c) **Measure of Tax Reporting Period.** The tax required to be paid by this section shall be reported and paid annually. Every person engaged in the business subject to tax under this section shall pay a minimum tax of \$88.69 per year at the beginning of each calendar year which shall be given as a credit against the total tax due for such year. The tax required to be paid under this section shall be measured as follows:~~

~~1. For each motor vehicle, other than a tractor, trailer, semitrailer or dolly, the tax shall be as follows:~~

~~Where the unladen weight thereof is 4,000 pounds or less, the tax shall be \$0.28 for each day or fraction thereof of its operation as specified in Subsection (b);~~

~~Where the unladen weight thereof is over 4,000 pounds, and not more than 8,000 pounds, the tax shall be \$0.71 for each day or fraction thereof of its operation as specified in Subsection (b); and~~

~~Where the unladen weight thereof is over 8,000 pounds, the tax shall be \$0.78 for each day or fraction thereof of its operation as specified in Subsection (b).~~

~~2. For each tractor which is so used to haul one or more trailers or semitrailers, the tax shall be \$0.78 for each day or fraction thereof of its operation as specified in Subsection (b).~~

~~(d) Method of Reporting.~~

~~1. No person shall engage in such business or perform any act required to be taxed under this section during any tax period without first obtaining a registration certificate and paying a minimum tax for that year in the amount of \$88.69.~~

~~2. At the close of each tax period such person shall file a statement with the Director of Finance showing the tax due and setting forth a summary of the vehicles of each graduation specified in Subsection (c) above used during such preceding tax period and the number of days or fractions thereof of such use, and shall pay on or before the last day of February in the next subsequent tax period any additional tax that may be due hereunder for such preceding tax period.~~

~~3. In making such statement, the person may at their option elect to compute such summary and pay such tax on a "test week" basis, by separately computing the tax which would be due for each of the four test weeks specified in Subsection (d)4 hereof dividing the total of the tax due for the four test weeks by four to ascertain the average weekly tax, and multiplying said average weekly tax by the number of weeks of the tax period during which the person conducted operations subject to tax under this section. If the person elects to compute the tax imposed hereunder on a test week basis, such election shall be irrevocable and conclusive as to the tax period for which such election is made. Any person electing to compute such tax on a test week basis shall retain the records used for such computation for a period of four years from the date of filing such report. Upon the failure of any person electing to compute such tax on a test week basis to retain such records, the Director of Finance may determine the amount of any additional tax estimated to be due from such person in the manner provided by Los Angeles Municipal Code Section 21.16.~~

~~4. The test week which may be used by a person in computing the tax imposed under this section are the second full week in January, the second full week in April, the second full week in July and the second full week in October. If a person does not conduct operations subject to tax under this section in any one or more of such test weeks, then the person may use the next succeeding week following such test week in which the person does conduct such operations in the place of such test week; provided, however, that if a person does not conduct operations subject to tax under this section during each of the four test weeks which may, under this subsection, be used in computing the tax, such person may not elect to compute their tax on a test week basis without prior written application to and prior written approval of the Director of Finance as to what alternate test period or periods may be used.~~

~~5. In the event the business is discontinued, dissolved or otherwise terminated before the close of such tax period, the statement required by Subsection (d)2 hereof shall thereupon be filed, and any additional tax due hereunder shall be paid within 45 days following the date of such discontinuance, dissolution or termination.~~

#### **SECTION 4. Internal Consistency.**

It is the intent of the people of the City of Los Angeles that the amendments contained in Section 3 of this Initiative be read and construed in full harmony with the rest of the Municipal Code of the City of Los Angeles. To the extent that any provisions of the Municipal Code of the City of Los Angeles, or any other ordinances or provisions of law of the City, may be inconsistent with this Initiative, the provisions of this Initiative shall govern.

#### **SECTION 5. Implementation of this Initiative.**

**A.** This Initiative is considered adopted upon the earliest date legally possible after the elections official certifies the vote on the Initiative by the voters of the City of Los Angeles, and shall be effective on January 1, 2028. The City is directed to promptly take all appropriate actions needed to timely implement this Initiative, including but not limited to taking any administrative steps, as required by law, to implement this Initiative.

**B.** Upon the effective date of this Initiative, the provisions of Section 3 of this Initiative are hereby inserted into and/or repealed from the Municipal Code. The City may reorganize, renumber, and/or reformat the Municipal Code provisions included in Section 3 of this Initiative, provided that the full text of Section 3 is inserted into and/or repealed from the Municipal Code without alteration.

**C.** To ensure that the City's Municipal Code remains an integrated, internally consistent, and compatible statement of policies for the City, any provision that is adopted between date on which this Initiative is first filed with the City Clerk for an official title and summary and the Initiative's effective date shall, to the extent that such interim-enacted provision is inconsistent with or would diminish, render invalid, defeat, or impair the provisions adopted by this Initiative, be amended as soon as possible.

#### **SECTION 6. Effect of Other Measures on the Same Ballot.**

To ensure that the intent of the voters is not frustrated, this Initiative is presented to the voters as an alternative to, and with the express intent that it will compete with or take precedence over, any and all voter initiatives or City-sponsored measures placed on the same ballot as this Initiative and which, if approved, would regulate the subject matter of this Initiative, including but not limited to any measures pertaining to business taxes in the City of Los Angeles, in any manner whatsoever, that would frustrate the purpose and intent of this Initiative (each, a "Conflicting Initiative"). In the event that this Initiative and one or more Conflicting Initiatives

are adopted by the voters at the same election, then it is the voters' intent that only the measure which receives the greatest number of affirmative votes shall control in its entirety and said other measure or measures shall be rendered void and without any legal effect with respect to such requirements. If this Initiative is prevented from going into effect by a Conflicting Initiative approved by the voters at the same election, and such Conflicting Initiative is later held invalid, this Initiative shall be self-executing and given full force of law. Notwithstanding the foregoing provisions of this Section, in the event that both this Initiative and another measure(s) are adopted by the voters at the same election, but the two measures can be harmonized in a manner that permits this Initiative to be implemented upon its adoption without imposing any additional or inconsistent requirement(s) on the subject matter of this Initiative, then it is the voters' intent that both the other measure and this Initiative shall be given full force and effect regardless of which measure receives the greatest number of affirmative votes.

#### **SECTION 7. Interpretation and Severability.**

**A.** This Initiative must be interpreted to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Initiative is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Initiative. The voters declare that this Initiative, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Initiative is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Initiative that can be given effect without the invalid application.

**B.** If any portion of this Initiative is held by a court of competent jurisdiction to be invalid, we the People of the City of Los Angeles indicate our strong desire that: (i) the City Council use its best efforts to sustain and re-enact that portion, and (ii) the City Council implement this Initiative by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Initiative, including adopting or reenacting any such portion in a manner consistent with this Initiative.

**C.** This Initiative must be broadly construed to achieve the purposes stated above. It is the intent of the voters that the provisions of this Initiative be interpreted or implemented by the City and others in a manner that facilitates the purpose set forth in this Initiative.

#### **SECTION 8. Amendment.**

The amendments to the Municipal Code of the City of Los Angeles set forth in Section 3 of this Initiative may be amended or repealed only by a majority of the voters of the City voting in a regular municipal election held in accordance with state and local law.