



STAFF REPORT

February 2, 2022
File Number 0600-10

SUBJECT

CITY BUSINESS LICENSE TAX RECIPROCAL AGREEMENT WITH FRANCHISE TAX BOARD

DEPARTMENT

Information Systems

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2022-27 authorizing the mayor or his designee, including the Director of Information Systems, to execute an agreement with the State of California Franchise Tax Board (FTB) ("Agreement") to renew and continue the City's participation in the FTB City Business Tax Program.

Staff Recommendation: Approval (Information Systems Department: Rob Van De Hey)

Presenter: Rob Van De Hey

FISCAL ANALYSIS

There is no cost to the City to enter into this Agreement. The City may receive additional General Fund revenue through this information exchange by identifying incorrectly allocated sales tax or through increased compliance with business license filing requirements.

PREVIOUS ACTION

This Agreement is brought to City Council for approval every two years. The last agreement was brought forth in 2020 and approved.

BACKGROUND

This Agreement allows the California Franchise Tax Board (FTB) and the City to renew a reciprocal agreement to exchange data, to assist in the administration of the business license program. FTB will provide the City records for taxpayers within the City's jurisdiction who indicate a business on their personal or corporation income tax return. Information obtained by FTB shall be used for tax administration and nontax programs that FTB administers.

RESOLUTIONS

- a. Resolution No. 2022-27
- b. Exhibit "A" Resolution No. 2022-27 – Contract Agreement