

Dear Town Council:

I have three comments regarding your proposed Models for the Business License Modernization program.

1) If you charge smaller businesses what they perceive to be too much or considerably more than they have been paying, some may decide not to get a business license. Especially small Mom and Pop and home based businesses. You will chase them undercover and then lose that revenue. New businesses may decide to go elsewhere. You must make Los Gatos business friendly and welcoming.

2) Locate and require at home businesses to have a business license. Many people now work from home, yet have no license.

3) Basing a license fee on gross receipts is unfair because the fee is based on overall sales receipts, not the profit made.

Example: A Ferrari dealer sells expensive cars and a used car dealer sells inexpensive cars. The Ferrari dealer could sell a few cars and have a large gross receipts record. The used car dealer could sell a lot of cars, have a higher overall profit, but a much lower gross receipts total, thus pay less for a business license than the Ferrari dealer. If you base the license fee on gross receipts, you could potentially be penalizing the person that sells more expensive products than someone who sells less expensive products.

Thank you for asking for feedback.

Sincerely,
Dennis Grist
Grist Construction

Hello:

I am a small business owner so the potential changes to fix the regressive tax structure is welcome. My concern as a citizen of Los Gatos is that ramping up the tax on large businesses, like Netflix, should be considered very carefully and not be too aggressive. The whole dollar amount contributed by Netflix and other large organizations, regardless of the tax rate in terms of percentage, I would imagine makes up a material portion of the cash coming into the Town of Los Gatos to support the many programs, services, and infrastructure.

Said more simply, don't scare away or anger the big tax contributors with a material increase in tax rates. As evidenced by many large companies in the Bay Area over the past few years, they will take action and move to TX or FL, or some other tax-friendly jurisdiction.

Kind regards,

Casey Pittock

I am not in favor of raising the business license tax. If you must do this Model 4 would be preferred. I am a small business with fluctuating revenues which make financial planning difficult. Raising the BL tax based on gross receipts would cause me great financial harm as ALL COSTS within the business are closely scrutinized to ensure that we can continue to operate during economic downturns. A large BL tax increase would be difficult for my small business to absorb as we have multiple entities that we must pay fees to in order to operate in California's highly regulatory and competitive environment.

Michael Shields, CCIM

Apartment / Investment Broker / Founder

[Silicon Valley Multifamily Group](#)

To Whom It May Concern,

If there are any tax increases, I would ask you to exclude the medical specialties. Our reimbursements are going down and we can't even recruit new doctors to this area. Most of the primary care doctors in practice in Los Gatos have dropped Medicare or have gone concierge. In 10 years there will be an even worse shortage of specialists in this area. So please consider excluding Medical businesses from this tax hike.

Dr. Manjula Noone

Just received notification of potential increases in our Town's business license fees. If I read this correctly, currently I am paying \$975/year for my license. If my gross receipts are \$25,000,000 annually according to the charts I'm seeing, that results in a license fee of \$37,500...I believe that is outrageous. You know that in the automobile business, we don't have the same margins that another retailer might have. To base the fee solely on gross receipts is highly unfair. There should be some sort of setoff regarding the sales tax that a business generates for the town. I would embrace a slightly higher annual fee, but nothing like what I'm seeing. There should be a cap on the fee, certainly no more than \$2000/year.

John Moore

Moore Buick GMC

How would the modernization in models 2-4 look like in practical terms:

- For example, would the town licensing process get coupled to the CA and/ or federal tax return of the business?
- And of which year? It seems the past year would make sense, then the town license renewal would continue to take place at the end of the year, based on the return of the past year.
- If it is meant for the actual year of the town license, what would happen if the business has filed for an extension?

Overall, as a two-people husband-and-wife consulting business, we understand and support the rationale behind the modernization plans. The details will just have to be worked out.

Thank you for your consideration.

Gabi Neubauer

Dr. Gabi Neubauer

VP Semiconductor Technologies

AFGN LightVantage

Hi Los Gatos, I work from home and have a HR Consulting Business.

Will our fees be based on our gross income? If we earn 60k what will the estimated business license fee be?

If the fees are NOT based on gross income what will the fees be based on in the future?

I don't like the idea of having to pay more money, the pandemic has taken its toll on my business and now we are dealing with inflation.

This is not the time to be raising fees!! I am sure alot of businesses will feel the same.

Let me know. Thanks, Sylvia Carrillo

Sylvia Carrillo, PHR

Human Resources Consultant