



TO : Mayor and Commissioners
 FROM : Linda W. Cox, City Clerk *LWC*
 RE : Business Tax Receipt Rates
 DATE : March 9, 2020

In accordance with Florida Statute 205.0535, in 2008 the City established an Equity Study Commission to review and recommend a revised classification system and rate structure for business taxes. This statute allowed for an initial 10% increase, with up to a 5% increase every other year thereafter if approved by a 4/5ths vote of the governing body.

In August 2008, the City Commission adopted Ordinance No. L-35 providing for the initial increase of ten percent for business tax receipts. Subsequently, in 2010, 2012, 2014, and 2018 the City Commission implemented a 5% increase of the business tax each year as allowed. There was no increase in 2016.

Under Florida Statute 205.0535(4), "municipalities and counties may, every other year thereafter, increase or decrease by ordinance the rates of business taxes by up to 5 percent. An increase, however, may not be enacted by less than a majority plus one vote of the governing body. Nothing in this chapter shall be construed to prohibit a municipality or county from decreasing or repealing any business tax authorized under this chapter."

The City Commission may once again consider an increase of business tax of up to 5%. If an increase is adopted, additional revenue to the City is estimated at \$13,500 based upon our most recent collections in the total amount of \$270,000. Generally, a 5% increase would equate to a nominal increase of \$0.38 to \$18.23 per license, per year, depending on the business classification. Below are examples of current business taxes charged by our two closest cities for comparison:

	Fort Pierce	Port St. Lucie	Vero Beach
Bank::	\$267.41	\$268.00	\$360.00
Beauty Shop:	\$ 25.07	\$134.00	\$45.00
Small Merchant:	\$ 25.07	\$65.25	\$45.00
Large Merchant:	\$364.65	\$381.00++	\$500.00

At this time, I am requesting consensus from the Mayor and City Commission as to whether an increase, decrease or no action is desired with regard to business tax receipt rates. Thank you for your consideration.