

**TOWN OF LOS GATOS
MEASURE J**

Shall the measure to fund critical Town needs such as public safety by amending business license taxes, unchanged since 1991 while inflation increased 117%, to increase flat taxes by 30%, adjusted annually for inflation, Retailing gross receipts tax by 40%, and to add E-Commerce to the Manufacturing, Wholesaling, and Jobbing gross receipts tax schedule and increase that schedule by 120%, raising about \$1,100,000 yearly for general fund purposes until ended by voters, be adopted?

**YES
NO**

**TOWN ATTORNEY'S IMPARTIAL ANALYSIS OF
MEASURE J**

The Town Council of the Town of Los Gatos has placed Measure J on the ballot to ask the Town's voters to approve changes to the Town's business license tax. The Town of Los Gatos imposes an annual business license tax on businesses doing business in the Town. The tax is for revenue purposes only. The tax funds for municipal services and infrastructure are utilized by businesses, their employees, and their customers. The Town's business license tax is codified in Articles I and II of Chapter 14 of the Town Code. The ordinance imposing the tax, was last amended in 1991, and the amount of the tax has not changed since then.

The existing ordinance imposes a flat tax on specified types of businesses, such as peddlers and professional occupations, and a gross receipts tax on specified categories of businesses, such as retailing and manufacturing.

The proposed ballot measure would increase the flat tax by 30%, adjusted annually for inflation. Existing flat taxes range from \$7.50 to \$630.00 annually. With the proposed increase, flat taxes would range from \$9.75 to \$819.00 annually.

The existing ordinance imposes a tax on retailers, which is based on gross receipts. The existing tax ranges from \$75.00 to \$975.00. The proposed ballot measure would increase the gross receipts tax on retailers by 40%, resulting in a tax ranging from \$75.00 to \$1,365.00. Businesses with less than \$50,000 in gross receipts will not be subject to the 40% increase.

The existing ordinance imposes a tax on manufacturing, wholesaling, and jobbing businesses. The existing tax ranges from \$150.00 to \$4,837.50 plus \$75.00 for each \$550,000 or fraction thereof in gross receipts in excess of \$12,000,000. The proposed ballot measure would amend the heading of this tax schedule to list "E-commerce" in addition to "Manufacturing, Wholesaling, and Jobbing." The proposed ballot measure would increase the gross receipts on "E-commerce, Manufacturing, Wholesaling, and Jobbing" businesses by 120%, resulting in a tax ranging from \$330.00 to \$10,642.50 plus \$165.00 for each \$550,000 or fraction thereof in excess of \$12,000,000.

Measure J is a general tax. Therefore, the Town could use the money for any legal governmental purpose, such as police services; traffic improvements; road improvements; and maintaining the Town's long-term financial stability.

**TOWN ATTORNEY'S IMPARTIAL ANALYSIS OF
MEASURE J-Continued**

A "Yes" vote is a vote in favor of the proposed changes to the Town's business license tax. A "No" vote is a vote against the proposed changes to the Town's business license tax. Measure J will be approved if it receives a simple majority of "yes" votes.

Per Elections Code Section 9280: The above statement is an impartial analysis of Measure J. If you desire a copy of the Measure, please call the Town Clerk's office at (408) 354-6834, and a copy will be mailed at no cost to you.

Gabrielle Whelan
Town Attorney

ARGUMENT IN FAVOR OF MEASURE J

Vote YES on Measure J and let's maintain the high quality of services our community cherishes.

Measure J continues a tradition in Los Gatos, where businesses, residents, and visitors alike work together to maintain our streets and roads, keep our parks clean and safe, and provide the highest quality police services. Vote YES on J to maintain our quality of life and re-invest in Los Gatos!

The Town's business license tax was last adopted in 1991 and HAS NEVER BEEN AMENDED in over 30 years. However, inflation has actually increased 117% since 1991! In addition, having not been updated in over 30 years, the current rate structure did not take into account shifts in business models and delivery methods over the decades.

YES on Measure J is a THOUGHTFUL approach to recapturing some of the lost revenue due to inflation without overly impacting any one constituent or constituency. Working closely with the business community before carefully crafting this measure, the council voted unanimously to send it to you.

YES on Measure J keeps taxpayer dollars local and invested in OUR Town. NO MONEY GOES TO THE STATE—this measure will give Los Gatos local control over local funds for local needs.

Rob Rennie
Mayor Town of Los Gatos

NO ARGUMENT AGAINST MEASURE J WAS SUBMITTED