

From: [Liz Acord](#)
To: [Gerry Beaudin](#); [CityCouncil-List](#)
Cc: [Erin Smith](#); [Lara Weisiger](#); [Margaret O'Brien](#); [Lisa Maxwell](#); [Lois Butler](#); [Eric Fonstein](#)
Subject: RE: Revenue Measure Item
Date: Tuesday, May 3, 2022 10:03:59 AM
Attachments: [Cannabis TOT Business License COMP + Project Spending.xlsx](#)
[image001.png](#)

Hi all:
Please see the attached comparison.
Thank you,
Liz

Liz Acord

Public Works Coordinator
City of Alameda Public Works
510-747-7957 (Direct) | 510-906-7680 (Cell)
www.alamedaca.gov/public-works

From: Gerry Beaudin
Sent: Monday, May 2, 2022 3:54 PM
To: CityCouncil-List <CITYCOUNCIL-List@alamedaca.gov>
Cc: Erin Smith <ESmith@alamedaca.gov>; Lara Weisiger <lweisiger@alamedaca.gov>; Liz Acord <LAcord@alamedaca.gov>; Margaret O'Brien <mobrien@alamedaca.gov>; Lisa Maxwell <LMaxwell@alamedaca.gov>; Lois Butler <lbutler@alamedaca.gov>; Eric Fonstein <efonstein@alamedaca.gov>
Subject: Revenue Measure Item

Good afternoon, Mayor and Councilmembers –

I have received questions about sales tax, TOT, and business license tax rates in surrounding/nearby jurisdictions. We are pulling together as much of that information as we can find and plan to share it by around noon tomorrow (at the latest).

Please let me know if you have any questions when you receive the information.

Gerry

Gerry Beaudin, AICP | Assistant City Manager
Pronouns: he/him
Direct: 510.872.2128 | Office: 510.747.4700
2263 Santa Clara Avenue, Suite 320, Alameda, CA 94501



Cannabis Comparison

| Cities | Retail | Retail | Cultivation | Cultivation | Distribution | Distribution | Manufacturing | Manufacturing | Testing | Testing |
|-------------|--|--------|-------------|-------------|--------------|--------------|---------------|---------------|---------|---------|
| | A | M | A | M | A | M | A | M | A | M |
| Alameda | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Albany | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Berkeley | 5% | 3% | 5% | 3% | 5% | 3% | 5% | 3% | 5% | 3% |
| Dublin | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Emeryville | 3% | 3% | NA | NA | 1% | 1% | 2% | 2% | 1% | 1% |
| Fremont | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Hayward | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% |
| Livermore | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Newark | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Oakland | Tiered rates based on size of business | | | | | | | | | |
| Pleasanton | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| San Leandro | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% |
| Union City | 4% | 4% | \$8/sqft | \$8/sqft | 2% | 2% | 4% | 4% | 1% | 1% |

Prepared by SCI Consulting Group in 2020

A=Adult Use
M= Medicinal Use

Transient Occupancy Tax Comparison

| Cities | Rate |
|-------------|------|
| Alameda | 10% |
| Albany | 10% |
| Berkeley | 12% |
| Dublin | 8% |
| Emeryville | 12% |
| Fremont | 10% |
| Hayward [1] | 8.5% |
| Livermore | 8% |
| Newark [2] | 10% |
| Oakland | 14% |
| Pleasanton | 8% |
| San Leandro | 14% |
| Union City | 9% |

[1] For persons eligible for the Transient Occupancy Tax, the Emergency Services Facilities tax shall be an additional 2% of the total rents charged.

[2] Established by City Council Resolution, 10% as of FY2018-19

Prepared by staff in 2022

Business License Comparison

| City | Business Tax Type | Exemptions * | Rates |
|---------------|--|---|--|
| Alameda | Primarily GRT, gross payroll for those that do not produce GR | Non-profits, veterans exempt from fee but not processing fees. | \$0.40 for each one thousand dollars of gross receipts or gross payroll. Minimum fee: \$195 if total GR \$175,500 but not more than \$487,499. \$153 if total GR \$88,000 but not more than \$175,499, \$103 if GR less than \$88,000. Hotel/Rooming House: \$5.00/room. Dwelling unit rental: \$20/unit. Commercial Rental: \$20.00 per 1,000 sq. ft. Manufacturing: \$0.40 per \$1,000 GR les raw materials. |
| Oakland | Primarily GRT, some exceptions, (e.g., employees, payroll, etc.) | Threshold limits (vary by category);Non-profits; some affordable housing; licensed family daycare up to 14 children | Range from \$0.60 (grocers) to \$13.95 (commercial and residential rental property) per \$1,000Cannabis rates are progressive, \$1.20 to \$13.95 per \$1,000 (Cannabis higher) |
| Emeryville | GRT | Charitable organizations | For most businesses is \$1.00 per \$1,000; Commercial rent = \$3.50; Cannabis = \$60 |
| Berkeley | Primarily GRT, (similar to Oakland) | Wholly charitable organizations; Small businesses w/gov't R&D grants | Rates range from \$0.60 (grocers) to \$4.50 per \$1,000 for most categories, with some much higher rates: Professional sporting events = \$100; Firearms and ammunition = \$150; Cannabis = \$25 to \$50 |
| Richmond | Currently flat fee + tax per employee; Measure U (2020), implements GRT to take effect July 2021 and is described here | Non-profits; small businesses < \$250K; affordable housing, some owner-occupiers room and ADU rentals if < 150% AMI; family daycare providers; hardship exemptions (1 yr, must apply) | Progressive system, rates are marginal and by category, most range between \$0.60 and \$2.00 (grocers) to \$3.60 to \$6.80 (professional svcs); Cannabis = \$50.00; Firearms = \$60 first \$2,500 then \$24; seems to pull from Oakland and Berkeley |
| San Francisco | Primarily GRT | Primarily non-profits | Progressive system, varies by category. (Note: Prop F (2020) modified categories and set rates for Jan 2021 w/annual increases through 2024). Most currently range from \$0.53 to \$9.10 per \$1,000 (Cannabis higher) |
| Los Angeles | Primarily GRT, some exceptions (e.g., Movie production = cost) | Non-profits; Small biz (< \$100K/yr); Mutual funds; New auto dealers, Contractors < \$60K (\$153 flat fee) | Rates per \$1,000 range from \$1.01 (childcare provider & others) to \$4.25 (Professions & Occupations, others); Medical marijuana = \$60 per \$1,000 |
| San Jose | Primarily num employees, some exceptions | Non-profits; Farmers within Santa Clara County selling own products in City | Base tax of \$203.85, most categories then taxed per employee starting at 3rd employee, progressive marginal tax (e.g., \$32.70 per employee for 3-35 employees, up to \$65.45 for 500+). All capped at \$163,745. |
| San Leandro | Flat fees, some categories add'l taxes (GR, headcount, sq ft) | Non-profits and most businesses with 3 or fewer employees within City | \$146.20 base for most businesses; GRT applied only to limited categories: Coin operated devices & towing (\$1.30); Firearms (concealed weapons & ammo)= \$44.00; parking lot (\$100) |
| Hayward | Limited GRT, most categories pay flat fees, per emp, per sq ft, etc. | Charities/non-profits; Peddlers or solicitors who are veterans, disabled, or indigent. | Most Retail/wholesale = up to \$373.35 fee if <\$3M, add'IGRT of \$0.11 for \$3M+ (some \$0.27 for \$400K+); Other rates at \$1.07 to \$1.33, Cannabis = \$70. |
| Walnut Creek | Most businesses may choose GRT or a flat rate + headcount | Charitable organizations; Minors (< 18 yrs) with up to \$1,000 revenues | GRT of \$2.30 first \$10K then decreasing rate up to \$0.02 for revenues > \$10M; OR flat \$416.00 for 1 owner/partner + Add'lpartners \$139.00 then \$28 per employee up to 300 then \$14 for above 300 |
| Concord | GRT (wholesale/retail, comm rents, contractors > \$204K); rest per employee or flat fee | Non-profits may qualify for no-fee business license | GRT: minimum \$25 up to \$25K revenues, then marginal GRT rates that decrease from \$0.90 to \$0.30 per \$1,000 at \$7.5M annual revenues; Varying rates per employee for most other categories |
| Antioch | GRT except per-unit for residential rentals | Non-profits | \$1.25 per \$1,000 up to \$1M, then add'l\$0.20 per \$1,000 of revenues > \$1M, Min of \$100 (\$25 home-based)Residential rental units = \$250/unit for Single-family, \$150/unit for multi-family |
| Pleasanton | GRT | Non-profits | Fees up to \$75 up to \$250K annual revenue, above that = \$0.30 per \$1,000.00 |
| Fremont | GRT | Non-profits; Agricultural (non-retail); Part-time jobs (youths & seniors); Veterans | Most pay \$30 fee plus GRT per \$1,000 that varies from \$0.25 (retail) to \$1.50 (rec & entertainment). Charge extra \$0.30 for retail/ |

GRT = Gross Receipts Tax

* California prohibits taxation by any local jurisdiction for certain entities including the following: (1) banks and financial corporations; (2) insurance companies; (3) persons engaging in business as a for-hire motor carrier of property; (4) persons engaging in intercity transportation as a household goods carrier; (5) charter-party carriers operating limousines that are neither domiciled nor maintain a business office within the taxing jurisdiction.

Comparison prepared by City of Oakland in 2021

[Contracts approved by City Council 12/7/2021](#)

Terris Barnes Walters Boigon Heath Lester, Inc. (TBWBH)

1 year agreement expiring 11/16/2022

Feasibility assessment, ballot measure development, informational outreach and communication, and general strateg

Not to exceed: \$132,000

Invoiced to date: \$24,532

Fairbank, Maslin, Metz & Associates (FM3)

1 year agreement expiring 11/16/2022

Survey development, implementation, analysis, and presentation support to a potential ballot measure effort

Not to exceed: \$37,000

Invoiced to date: \$37,000

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