

Mayor warns business tax may fail

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Atherton City Council is considering asking voters in November to make changes in the town's business license tax that would quadruple revenues from the levy, but Mayor Elizabeth Lewis said yesterday she doesn't think it will be a "slam dunk" with voters.

At council's meeting yesterday,

Ballot measure would quadruple revenues generated by the tax

Lewis said she is concerned about putting something on the November ballot without any polling of voters to know if it would pass.

"You don't want to put something on the ballot that is going to fail, because then you look bad," she said.

The town's finance director, Robert Barron III, presented potential changes to the business license tax, which included having all businesses pay 25 cents for every \$100 in gross receipts.

And some businesses would have to [See TAX, page 34]

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pay an additional \$250, he said. These changes could increase the town's revenue from the tax from \$228,000 to \$1,022,185.

Currently, the business tax is based on 5% of gross receipts or a flat fee, whichever is lower, Barron said. The fee is typically lower, he said.

The business tax is now paid by general contractors, alarm installers, private patrol, swimming pool workers, real estate firms, landscapers and handymen, to name a few.

Taxing drone operators

Council suggested changes yesterday to the four categories that businesses fall into, determining how much they pay, and town officials will return to council on July 20 with a final proposal for council to consider.

Councilman Cary Wiest recommended town officials add drones to a category of business. This could include people who use drones for their work, such as photographers.

The deadline to submit something for the November ballot is Aug. 8.

Lewis said the tax won't be an "easy sell," adding that she doesn't think the town will get the 51% need to pass the tax.

But Councilman Bill Widmer said the town should at least try.

The proposal can be confusing and complex, Lewis said, so it will require educating voters.

It seems reasonable to generate more funds, Lewis said. It sounds good on paper, but it can be tricky, she said.

City Manager George Rodericks said the tax doesn't target residents, since there are only a few people in town running a business out of their homes.

Many of these businesses are located outside Atherton, but work in the town.

Rodericks added that if the tax doesn't pass, things will remain the same with the current ordinance.