



FY 2017 Recommended Budget Budget Question

Board Question #: 109

BUDGET QUESTION: What is the impact of raising the Business License (BPOL) threshold to \$1M? To 1.2M? What if the rates are lowered?

RESPONSE: Because BPOL has to be filed by March 15th and is to be paid by April 15th of each year, the soonest a change in the BPOL threshold or rates would be effective is January 1, 2017. Listed below are the estimated FY 2017 impacts of several options for changes to the BPOL threshold and rates.

Changing the Threshold

- Increasing the threshold from the current \$750,000 to \$1M would result in an estimated loss of revenue of \$150,000 for FY 2017.
- Increasing the threshold from the current \$750,000 to \$1.2M would result in an estimated loss of revenue of \$240,000 for FY 2017.

Changing the Rates

- Decreasing all BPOL rates by one penny each would result in an estimated loss of revenue of \$340,000 for FY 2017.
- Decreasing all BPOL rates by 1% each would result in an estimated loss of revenue of \$36,000 in FY 2017.

The following table shows the current rates for each BPOL category. Because the rates vary by category, a one penny decrease in the rate of one category could be a significantly larger percentage decrease than a one penny decrease in the rate of another category.

Category	Rate
Amusements	\$0.18
Business Services	\$0.18
Contractors	\$0.08
Direct Sellers	\$0.10
Developers	\$0.18
Itinerant Merchants & Peddlers	\$0.10
Miscellaneous	\$0.18
Out of Area Contractors	\$0.08
Professionals	\$0.29
Photographers	\$0.18
Personal Services	\$0.18
Retail Merchants	\$0.10
Rentals	\$0.18
Repair Services	\$0.18
Wholesale Merchants	\$0.025