MEMORANDUM

TO: Jose Cisneros, Treasurer
FROM: Ben Rosenfield, Controller
DATE: August 30, 2018
SUBJECT: Payroll Expense Tax Rate for 2018

Article 12-A, Section 903.1 of the Business and Tax Regulations Code requires the Controller, commencing on the operative date of the Gross Receipts Tax Ordinance, to compute the rate of the payroll expense tax, in accordance with subsections (c) and (d) of that Section.

The Section directs the Controller to certify and publish the payroll expense tax rate for 2018 before September 1, 2018.

Having completed the computation, I hereby certify the 2018 payroll expense tax rate to be 0.380%.

The Controller's Office has also calculated the annual Consumer Price Index adjustments to the small business exemption limits for the Gross Receipts Tax and the Payroll Expense Tax, as mandated Article 12-A-1, Section 954.1 and Article 12-A, Section 905-A respectively. Those small business exemption limits for 2018 are: $1,120,000 for the Gross Receipts Tax, and $300,000 for the Payroll Expense Tax.

We appreciate the assistance of Treasurer's Office staff with these computations.