



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Vice Mayor
Chappie Jones

SUBJECT: SEE BELOW

DATE: August 13, 2019

Approved

Date

8/13/19

**SUBJECT: ACTIONS RELATED TO ITEM 3.4 AMNESTY PROGRAM FOR
BUSINESS TAX AND BUSINESS IMPROVEMENT DISTRICT
ASSESSMENTS AND APPROVAL OF AN ORDINANCE AMENDING
CHAPTER 4.76 OF THE SAN JOSE MUNICIPAL CODE TO EXPAND
THE ELIGIBILITY REQUIREMENTS FOR THE FINANCIAL
HARDSHIP EXEMPTIONS TO INCLUDE TRUSTS AND UNDER
CERTAIN CIRCUMSTANCES**

RECOMMENDATION

Accept staff recommendation and direct staff to consult with San Jose's Small Business Advisory Task Force in development of a robust outreach plan that includes targeted and appropriate communication to small businesses, immigrant-owned businesses, and businesses that self-define themselves as deficient in English.

DISCUSSION

I appreciate staff's work in bringing forward a proposal to broaden the definition of small business and to administer a business tax amnesty program that has proven to be a win-win for both businesses and government agencies by providing education regarding the City's business tax registration process, increasing compliance, and providing a source of revenue for the City. Considering small businesses across the region are currently experiencing challenges with covering the cost of doing business in the region, this is an opportune time to implement an amnesty program that may provide some financial relief. It is important that the City does its due diligence in promoting the program to eligible businesses, especially considering that in San Jose 95% of businesses are small, 60% are immigrant-owned, and 30% self-define themselves as deficient in English.

District 1's Small Business Advisory Task Force (SBATF) was formed upon Council action on May 17, 2016 and is made up of small business representatives and leaders of minority chambers of commerce. The Task Force meets monthly to evaluate and provide feedback regarding the City's proposed and current policies, processes, and programs affecting small businesses. Before implementing the proposed business tax amnesty program, it is recommended that City

staff consult with the SBATF for feedback and suggestions on September 12, 2019, specifically on outreach to small businesses to address potential culture and language barriers that often hinder communication between the City and small business owners. Most immigrant-owned businesses are not members of chambers of commerce and often require targeted and personalized communication to ease potential mistrust, which is commonly directed towards government agencies, and assurance that participating in a business tax amnesty program will not lead to future scrutiny. Furthermore, I recommend including the Small Business Advisory Task Force in the City's development and outreach efforts for programs that generally affect small businesses. The Task Force has served as an invaluable resource for the development of such programs as the Public Works Academy, which is the City's program designed to streamline the process of contracting with the City for small and disadvantaged businesses. The SBATF can potentially assist with promotion of the proposed amnesty program and other future programs intended for small businesses.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.