

Mia De Marzo

Subject: FW: Opposition to Staff Position on Business License Tax
Attachments: Letter of Support Callaway TaylorMade.pdf

All Receive - Agenda Item # 6
For the Information of the:
CITY COUNCIL
Date 05/03/21 CA Y CC Y
CM Y ACM Y DCM (3) Y

From: Faviola Medina
Sent: Monday, May 3, 2021 7:40 AM
To: Tammy Cloud-McMinn <Tammy.McMinn@carlsbadca.gov>
Subject: FW: Opposition to Staff Position on Business License Tax

For correspondence.



Faviola Medina, CMC
City Clerk Services Manager
Office of the City Clerk
P: 760-434-5989

From: Cindie McMahon <Cindie.McMahon@carlsbadca.gov>
Sent: Sunday, May 2, 2021 2:26 PM
To: Faviola Medina <Faviola.Medina@carlsbadca.gov>
Cc: Sheila Cobian <Sheila.Cobian@carlsbadca.gov>
Subject: FW: Opposition to Staff Position on Business License Tax

From: Bret Schanzenbach <Bret@carlsbad.org>
Date: April 30, 2021 at 4:27:43 PM PDT
To: Matthew Hall <Matt.Hall@carlsbadca.gov>, Teresa Acosta <Teresa.Acosta@carlsbadca.gov>, Priya Bhat-Patel <Priya.Bhat-Patel@carlsbadca.gov>, Scott Chadwick <Scott.Chadwick@carlsbadca.gov>
Cc: Keith Blackburn <Keith.Blackburn@carlsbadca.gov>, Cori Schumacher <Cori.Schumacher@carlsbadca.gov>
Subject: Opposition to Staff Position on Business License Tax

The Honorable Mayor Matt Hall
City of Carlsbad

Dear Mayor Hall:

I am writing regarding the business license tax appeals of **Callaway Golf Company** and **Taylor Made Golf Company, Inc.** On behalf of the Board of Directors I urge you to not support the staff recommendations and instead institute a more reasonable apportionment methodology.

The current policy that staff is promoting consists of using a three-factor apportionment formula. This is a major deterrent for companies currently located, or considering locating in Carlsbad. The formula penalizes businesses for every square foot they occupy and every staff member they add to their Carlsbad facilities.

None of our neighboring cities use a formula like this. These two major employers could both move literally 2-3 miles in almost any direction and save tens of thousands of dollars per year in business license fees. It would not take too many years to recoup the costs of a new building at those savings.

The state of California recognized this formula was a disincentive for businesses to locate in California and they switched to a one factor formula several decades ago. Please move to a one factor formula based on sales, or go to a flat fee, like most of our neighbors have.

Sincerely,

