

## Mia De Marzo

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**From:** Cindie McMahon  
**Sent:** Tuesday, May 4, 2021 12:32 PM  
**To:** Faviola Medina; Mia De Marzo  
**Cc:** Sheila Cobian  
**Subject:** Item 6 - Statement from Taylor Made  
**Attachments:** 2021-05-04 - Taylormade Golf Company - Hearing Statement.PDF

All Receive - Agenda Item # 6  
For the Information of the:  
CITY COUNCIL  
Date 05/04/21 CA X CC X  
CM X ACM X DCM (3) X

Favi,

Attached is a statement just received from Taylor Made for distribution to the City Council and posting on the city's website. It relates to Item 6 on today's City Council agenda.

Cindie



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TAYLORMADE GOLF COMPANY

8 **CARLSBAD CITY COUNCIL HEARING**

9 **TAYLORMADE GOLF COMPANY**

**HEARING STATEMENT**

**MAY 4, 2021**

14 **INTRODUCTION**

15 The primary issue in this dispute is the propriety of the new formula issued by the City  
16 Manager to apportion gross receipts for Carlsbad's business license tax. It is undisputed that a city  
17 can impose a tax upon the gross receipts of a business that are earned within the city. Where a  
18 business, like Taylormade here, conducts business both within and outside Carlsbad, the City  
19 cannot tax all of the gross receipts of the business, and must apply a method to fairly determine the  
20 taxable gross receipts in the City, a process called apportionment.

21 The City of Carlsbad, like many cities, imposes a business license tax on specified  
22 businesses operating in the City. (Carlsbad Municipal Code § 5.04.020(A).) However, the  
23 Ordinance itself does not contain an apportionment formula. Taylormade informed the City in  
24 writing of this infirmity in 2009—over a decade ago—and offered several solutions for bringing  
25 Carlsbad's ordinance into conformance with constitutional requirements. After many  
26 communications with City officials, including at least one meeting with the then Finance Director,  
27 Collette Wengenroth, and others, Taylormade proposed that the City adopt the apportionment  
28 methodology used by the city of Los Angeles. Eventually Ms. Wengenroth informed Taylormade

