



SPLIT ROLL PROPERTY TAX IMPLICATIONS FOR CALIFORNIA

Testimony to the
Commission on the 21st Century Economy

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University of California Davis

**Steven B. Frates
President, CGA**

The Center for Government Analysis



Public & Private Firms

Type	Firms	% of total
Public	61,164	2.10%
Private	2,847,594	97.90%
Total/Average	2,908,758	100.00%

The vast majority of businesses in California are privately owned firms, not corporations.



Annual Receipts Per Firm

Type	Receipts	% of total	Receipts per Firm
Public	\$1,632,792,463,000	58.38%	\$26,695,319
Private	\$1,163,808,682,000	41.62%	\$408,699
Total/Average	\$2,796,601,145,000	100.00%	\$961,442

On average, the annual receipts per firm are much lower for these privately owned firms.



Number of Employees

Type	Employees	% of total	Employees per Firm
Public	5,813,835	45.41%	95.05
Private	6,990,238	54.59%	2.45
Total/Average	12,804,073	100.00%	4.40

These privately owned firms provide more jobs than public corporations



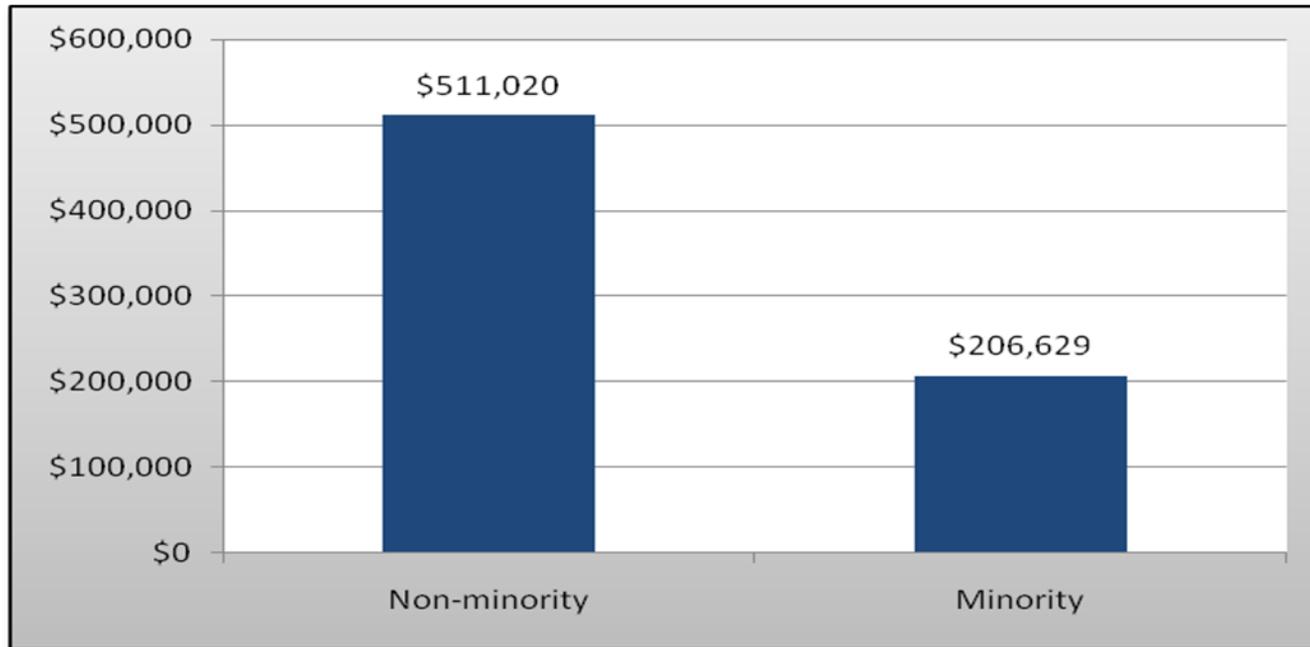
Minority Owned Firms

Type	Firms	% of total
Non-minority	1,890,372	66.38%
Minority	957,222	33.62%
Total/Average	2,847,594	100.00%

One third of the privately owned firms in California are minority owned.



Minority Owned Firms Receipts



On average, annual receipts for minority owned firms are about 40% of the annual receipts for non minority owned firms.



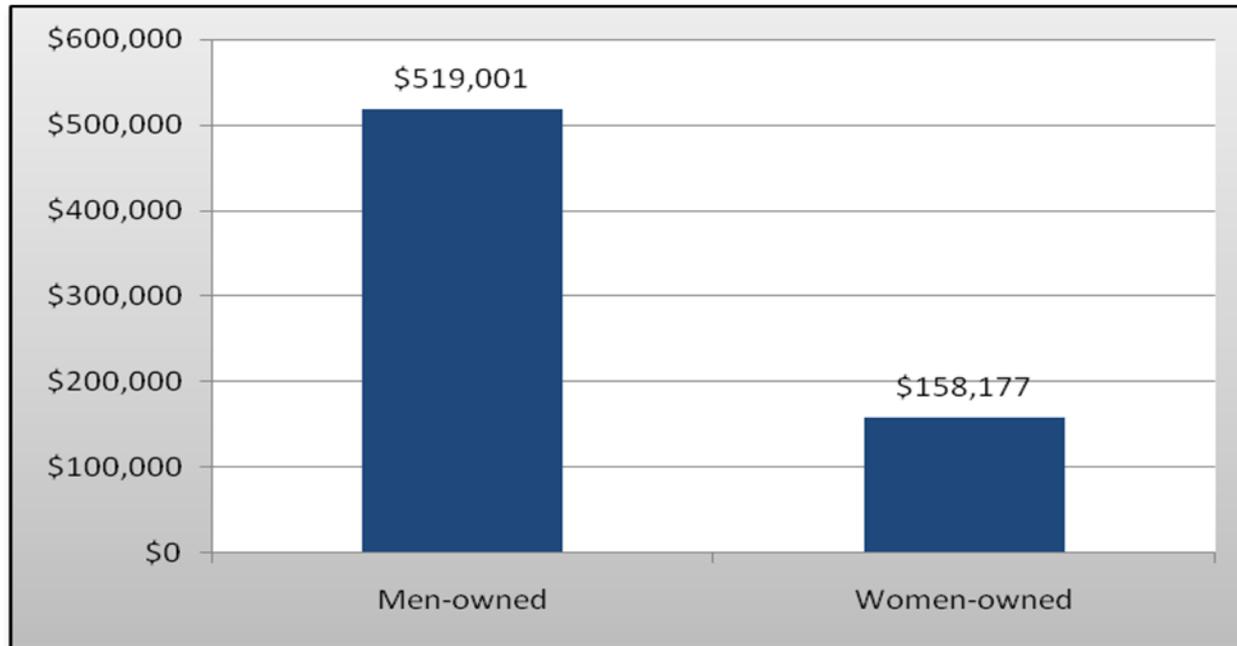
Women Owned Firms

Type	Firms	% of total
Men owned	1,977,098	69.43%
Women owned	870,496	30.57%
Total/Average	2,847,594	100.00%

Over 30% of the privately owned firms in California are owned by women.

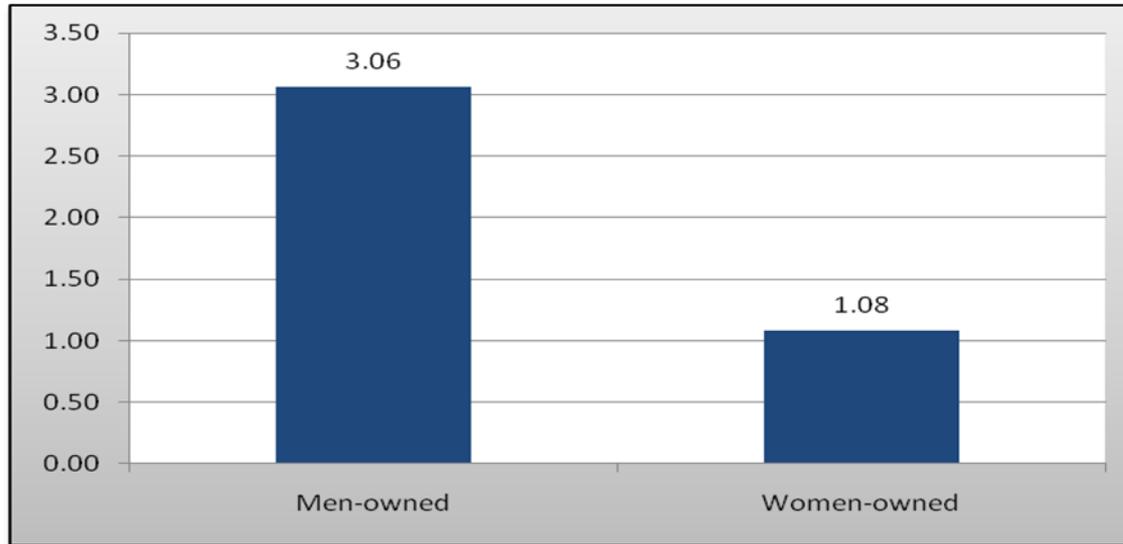


Receipts for Women Owned Firms



On average, annual receipts for women owned firms are much lower than for men owned firms.

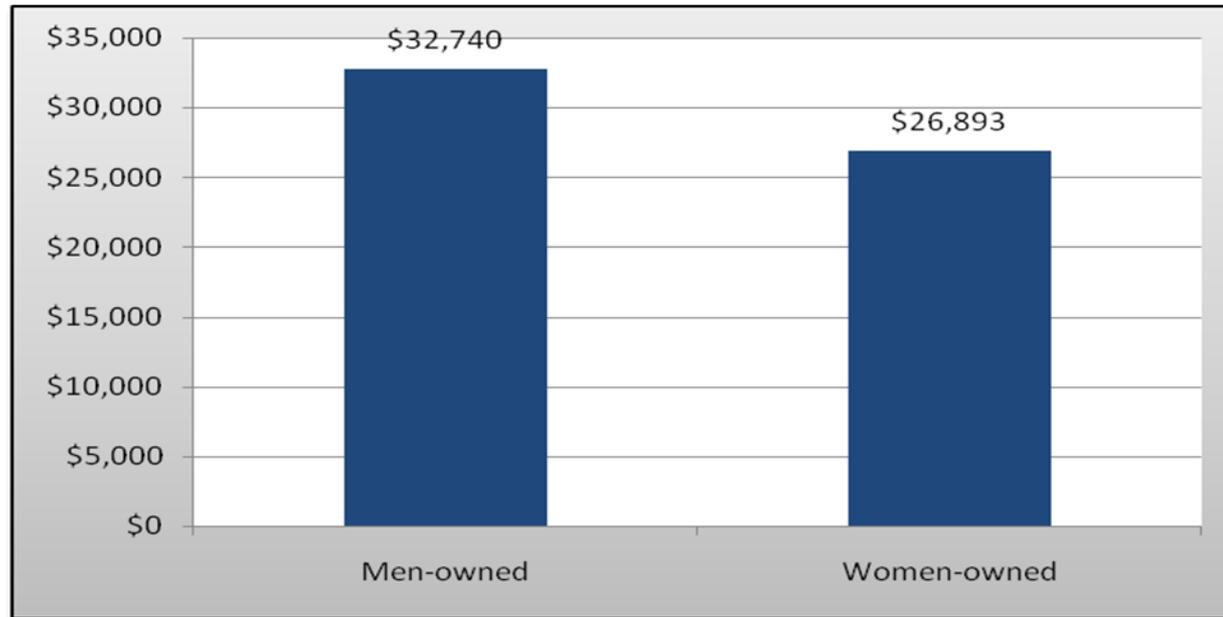
Employees Per Firm



On average, women owned firms have fewer employees than men owned firms.



Payroll Per Employee



On average, payroll per employee is lower in women owned firms.



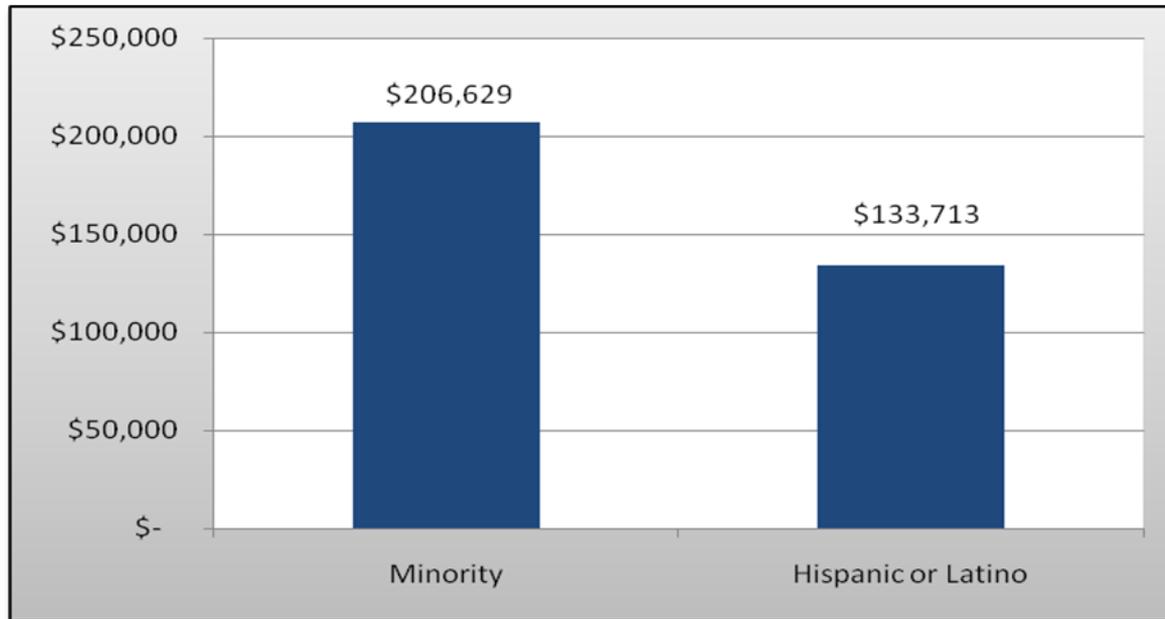
Latino Owned Firms

Type	Firms
Minority	957,222
Hispanic or Latino	427,678
Difference	529,544

About 44% of the minority owned firms in California are Latino owned.



Minority Firms Annual Receipts



On average, annual receipts for Latino owned firms are substantially lower than the average receipts for all minority owned firms.



Conclusions

1. A “split roll” property tax would negatively impact:
 - Businesses that rent place of business (“triple net” rent provisions are the norm, so renters typically pay all property taxes)
 - Businesses that own their place of business (direct property tax costs)



Conclusions (2)

2. The vast majority of businesses in California are smaller, privately owned firms.
3. These privately owned firms employ more Californians than publicly owned firms.
4. Women and minority owned firms in California are, on average, smaller and have lower receipts than other firms.



Conclusions (3)

5. Latino owned firms, on average, are smaller and have lower receipts than minority owned firms overall.
6. A split roll property tax regime would have a negative impact on minority owned, women owned and Latino owned businesses in California – which, on average are not as large and financially robust as other businesses.