

# Opinion: Measure E will hurt South Lake Tahoe

To the community,

Measure E has quietly sat at the end of the city ballots. I think it needs more attention.

When I was the South Lake Tahoe Chamber exec, the issue of fairness in the business license fees would come up from time to time. The reason is that there is an existing cap on how much the city can assess a high grossing business. In that sense a smaller business here pays a larger proportional fee on their gross sales than a large grossing business. As we looked at creating fairness the way the system is set up would end up really hurting mid-size businesses in the long run. Also, going from the current roughly \$3,700 cap to \$10,000 proposed would have been very hard on high grossing but low net businesses like hardware stores and gas stations and car dealers. Most people would still like to have larger grossing businesses pay more.

But measure E has a Trojan Horse hidden in the language. The initial 10 percent reduction in fees for smaller businesses looks good until the fine print is read. There is a 3 percent increase built in from there forward that is also compounded. So in three years small businesses would be right back where they are now and from there on in perpetuity they would see 3 percent increases automatically.

In 10 years, small businesses would have a possible 30 percent increase or more. The 50 large businesses would collectively pay about \$100,000 more to the city to administer their business license. In my opinion, that would result in either \$100,000 worth of more jobs lost or \$100,000 in increased prices to the customers.

I found it odd that some of the candidates for City Council touted lower taxes and encouraged business to create jobs, but weren't opposed to Measure E. One former councilman, did say he was very much against it. I think most didn't see the hidden job killer inside the measure.

In any case, this is not the right time to raise taxes on any businesses for any reason.

**Duane Wallace, South Lake Tahoe**