MIAMIBEACH

# COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Laura Dominguez
DATE: December 13, 2023

SUBJECT: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS AND CONSIDER AMENDING THE SCHEDULE OF FEES APPLICABLE TO BUSINESS TAX RECEIPTS (BTRS) ISSUED TO HOME-BASED BUSINESSES IN THE CITY AND TO COMPARE WITH CHARGES IMPOSED UPON HOME-BASED BUSINESSES BY OTHER MUNICIPALITIES IN MIAMI-DADE COUNTY.

---

**ANALYSIS**

Please place on the December 13, 2023 agenda a referral to the Finance and Economic Resiliency Committee to discuss and consider adjusting the schedule of fees applicable to Business Tax Receipts (BTRs) issued to home-based businesses in the City and to review charges imposed upon home-based businesses by other municipalities in Miami-Dade County

There are currently 133 active home-based business BTRs that have been issued by the City. Although the process for a home-based business owner to apply and obtain a Business Tax Receipt was simplified in the past few years, the fees that apply to home-based businesses seem to be disproportionate to the impact these businesses have on City services.

There are three fees that apply the first time an individual or entity applies for a home-based business BTR: (1) an application fee ($59.00), (2) an annual permit fee/business tax by business tax category (for example, an accountant pays $328.00 per annum) and (3) a Home-Based Business fee ($44.00 per annum). For subsequent years, the business owner must pay the annual permit fee/business tax and the annual Home-Based Business fee. The annual permit fee/business tax based by business category is the same whether someone has a traditional office as to someone who operates a business from home. But the home-based business must pay an additional $44.00 per annum.

Given the many restrictions appropriately placed on home-based businesses pursuant to Section 142-1411 of the City Code, notably including a requirement that the conduct of a home-based business cannot result in an increase in City services as compared to the average typical residence of the same size, it is difficult to understand why an accountant who opts to work from home (thereby helping to reduce traffic and carbon emissions in the City) should pay more for a BTR than an account who works at a traditional office.

To enable an informed and fruitful discussion, I request that the Administration review portions of the City's Fee Schedule that apply to BTRs and to conduct an informal survey of what other municipalities in the County charge home-based businesses for the issuance of BTRs (or similar tax charged for the right to operate a home-based business).

**SUPPORTING SURVEY DATA**

N/A

**FINANCIAL INFORMATION**

N/A

| **Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?** | **Does this item utilize G.O. Bond Funds?** |
|---|---|
| No | No |

**Legislative Tracking**

Commissioner Laura Dominguez