

BUDGET, FINANCE AND INNOVATION COMMITTEE REPORT relative to the California Department of Tax and Fee Administration (CDTFA) and authorizing City personnel to examine all sales or transactions and use tax records of the CDTFA.

Recommendation for Council action, as initiated by Resolution (Krekorian – Blumenfield):

RESOLVE to:

1. Rescind all prior resolutions relating to the CDTFA and further requests that the following persons be authorized by CDTFA to examine, on behalf of the City of Los Angeles, all sales or transactions and use tax records of the CDTFA pertaining to sales or transactions and use taxes collected for the City by the CDTFA pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the Transactions and Use Tax Law. The information obtained by the examination of CDTFA records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the CDTFA.
  - a. The Director of Finance of the City of Los Angeles and his/her deputized Tax Auditors, Senior Tax Auditors, Principal Tax Auditors, Chief Tax Compliance Officers, Accounting Clerks, Principals Clerks; the City Administrative Officer of the City of Los Angeles and his/her deputized Assistant City Administrative Officers, Chief Administrative Analysts, Finance Specialists, Senior Administrative Analysts, Administrative Analysts, Management Assistants; the Controller of the City of Los Angeles and his/her deputies; or any officer or employee designated in writing by the Director of Finance or City Administrative Officer or City Controller.
2. Designate the following Contractors to examine the sales and transactions and use tax records of the CDTFA pertaining to sales and transactions use taxes collected for the City by the CDTFA:
  - a. Muniservices LLC  
7625 North Palm Avenue, Suite 108  
Fresno, California 93711
  - b. Pondera Solutions  
11290 Pyrites Way, Suite 100  
Gold River, California 95670
  - c. AECOM Technical Services, Inc.  
303 East Wacker Drive Suite 1400  
Chicago, Illinois 60601
3. REQUIRE the Contractors designated under Recommendation No. 2 to meet all of the following conditions specified in Section 7056(b), (1) of the California Revenue and Taxation Code:
  - a. Contractors have an existing contract with the City to examine sales and transactions and use tax records.
  - b. Contractors are required by that contract to disclose information contained in, or derived from those sales and transactions and use tax records only to an officer or employee of the City authorized under Section 1 of Resolution (Krekorian – Blumenfield) to examine the information.
  - c. Contractors are prohibited by that contract from performing consulting services for a retailer during the term of that contract.

- d. Contractors are prohibited by that contract from retaining the information contained in, or derived from those sales and transactions and use tax records after that contract has expired.
4. Use the information obtained by examination of CDTFA records only for purposes related to the collection of the City's sales and transactions and use taxes by the CDTFA pursuant to the contract or agreement between the City and the CDTFA and for purposes related to other governmental functions of the City.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted

#### SUMMARY

At its regular meeting held on February 13, 2023, the Budget, Finance and Innovation Committee considered Resolution (Krekorian – Blumenfield) relative to the CDTFA and authorizing City personnel to examine all sales or transactions and use tax records of the CDTFA.

After an opportunity for public comment was held, the Committee moved to approve the Resolution, as amended, to replace “Avenu Insights & Analytics, LLC” with “Muniservices LLC,” as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

#### BUDGET, FINANCE AND INNOVATION COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| BLUMENFIELD   | YES         |
| PRICE         | YES         |
| YAROSLAVYSKY  | YES         |
| MCOSKER       | YES         |
| RODRIGUEZ     | YES         |

AS 2/13/23

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**