



## 21-POINT BUSINESS PLAN FOR PROGRESS USE TAX INCENTIVE PROGRAM



This document is to confirm participation of \_\_\_\_\_ (“Company”) in the Use Tax Incentive Program established by the City of Santa Clarita (“City”) as a result of the 21-Point Business Plan for Progress, approved by City Council on April 28, 2009.

**I. Purpose.** The Use Tax Incentive Program was designed to increase the partnership opportunities between the City and local businesses by incentivizing business expansion and generating increased City-directed use tax by allowing portions of qualified use tax payments to be remitted back to participating businesses.

**II. Acknowledgement.** Company acknowledges its participation in the Use Tax Incentive Program is voluntary and may be withdrawn at any time.

**III. Consultant Support.** Company acknowledges the City has identified a consultant to be available as a resource to Company. The consultant is available to:

- Perform a vendor survey to determine which of the Company’s vendors are eligible for Use Tax direct payment.
- Provide Company the necessary information to pay use tax and direct to the City of Santa Clarita.
- Review Company quarterly accrual report to verify that use taxes are being directly allocated to the City.
- Review Board of Equalization supplied data provided to the City identifying eligible use tax revenue.
- Report back to Company on the use tax benefit received by the City.

Alternatively, Company may select their own consultant to assist with this program. Should Company chose to use their own consultant, it is the Company’s duty to arrange for the payment of consultant(s) services. The City is not liable for payment of services provided through this program by anyone other than the City-retained consultant.

**IV. Reporting – Company Responsibility.** For accounting purposes, Company agrees to provide copies of their State Board of Equalization Sales/Use Tax Returns and accrual reports on a quarterly basis to the City’s consultant. The consultant is responsible for providing this information to the City. This information will be used to track use tax payments from the Company to the Board of Equalization and from the Board of Equalization to the City in accordance with the Board’s administrative procedures.

**V. Revenue Sharing.** Any new use tax generated by Company and directly allocated to the City after the execution of this Agreement will be available to be shared with Company via one of the following rebate options:

- a. Cash Rebate: A cash rebate equal to 30 percent of the net new use tax generated as a result of participation in this program. Should Company determine this method, the City will issue a check in the amount of the accrued rebate upon request.
- b. Business Expansion Credit: A rebate equal to 50 percent of the net new use tax generated as a result of participation in this program. Business Expansion Credits may be used for any permit or development fees the City deems appropriate.

**VI. BOE Determination of Improperly Allocated Local Sales or Use Tax Revenue.** If at any time during or after the Term of this Agreement, the BOE determines all or any portion of the local use tax revenues received by the City were improperly allocated and/or paid to the City, and if the BOE requires repayment of, offsets against future use tax payments, or otherwise recaptures from the City those improperly allocated and/or paid use tax revenue, then company shall, within thirty (30) calendar days after written notice from the City, repay all rebate payments (or applicable portions thereof) theretofore paid to Company which are attributable to such repaid, offset or recaptured local use tax revenue. If Company fails to make such repayment within thirty (30) calendar days after the City's written notice, then Company shall be in breach of this Agreement and such obligation shall accrue interest from the date of the City's original notice at then-maximum legal rate imposed by the California Code of Civil Procedure on prejudgment monetary obligations, compounded monthly, until paid. This section of the Agreement shall survive the expiration or termination of this Agreement.

**VII. Term.** This agreement shall commence on the date of the last signature and be effective until either party determines the relationship should cease to exist.

**VIII. Signatures.**

For: City of Santa Clarita

For: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

By: \_\_\_\_\_  
Authorized Representative

Print Name: Kenneth R. Pulskamp

Print Name: \_\_\_\_\_

Print Title: City Manager

Print Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_