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Survey calls LA reforms "cosmetic"

LOS ANGELES A new study on business costs says L-A's tax reforms are merely "cosmetic."

The Cost of Doing Business Survey by McKenna College's Kosmont-Rose Institute ranks L-A the 16th most expensive city for businesses out of the 398 cities it looked at.

It found that L-A's business license taxes are almost seven-and-a-half times higher than the survey's national average.

That's despite reforms that took effect last year lowering business taxes. One survey official says utilities and property prices also drive up business costs.

But city officials are disputing the survey's findings. Councilwoman Wendy Gruel says the business tax reform was just a first step.

She says 60 percent of all the businesses in the city won't pay the gross receipts tax by next year and that the number of categories is being trimmed from about 75 to seven.

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