

# TIFFANY CLARK, ESQ.

LAW OFFICE OF TIFFANY CLARK

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## 2/20/24 NOTE:

Updates/clarifications/  
corrections to this letter  
appear in red boxes  
below (w/ related  
hyperlinks in post-its)

Sent *Via* Email

Mayor Darrell Steinberg

City Hall

915 I Street, 5th Floor

Sacramento, CA 95814

[Engage@cityofsacramento.org](mailto:Engage@cityofsacramento.org)

Councilmember Karina Talamantes

Council District 3

915 I Street, 5th Floor,

[District3@cityofsacramento.org](mailto:District3@cityofsacramento.org)

City Council Members

City Hall

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Sacramento, CA 95814

[Clerk@cityofsacramento.org](mailto:Clerk@cityofsacramento.org)

January 25, 2024

UPDATE: Although the 25%+ of businesses grossing \$10K or less are *hardest* hit, I've realized since writing this letter that it's worse than that. So, here's how I've described the problem more recently:

Yes, we need more revenue. Yes, we need to raise the cap on what big businesses pay. And, yes, [as the city has also said](#), we need "fairness/equity," so "similarly situated taxpayers pay similar amounts [and] differing ability to pay [is] taken into account."

Indeed, for these very reasons it makes no sense for Measure C to so modestly increase the tax cap on the biggest businesses and provide a tax cut for most businesses making between \$60,000 and \$12.5 million gross per year, while asking most earning less than \$60,000 --who already pay the highest effective tax rates --to pay still more.

## Re: Call to Withdraw Support for Regressive Measure C and Rework for Fall Election

Dear Mayor Steinberg, Councilmember Talamantes and other members of the City Council,

My name is Tiffany Clark. I am an attorney and long-time resident of Sacramento, who has [written to you once before](#), about the City's restrictions on home businesses. Although I am deeply disappointed about the lack of substantive response to that letter, I am writing today about something even more urgent, [Measure C](#).

More specifically, I am writing to beseech you to reconsider and publicly withdraw your support for Measure C, with a stated intention of reworking it for the November election, this time with greater input from and fairer treatment of the smallest of small businesses, i.e., the over 25% of businesses in Sacramento making \$10,000 or less per year.<sup>1</sup>

Yes, the city needs more revenue. Yes, we need to raise the cap on what big businesses pay. However, we cannot and need not ask those earning less than \$10,000 per year—who already pay the highest effective tax rates—to pay still more, while peer city<sup>2</sup> [San Francisco completely exempts such businesses from its tax](#) and [waives fees for all new businesses](#) to boot.

In ways apparently not brought to the Council's attention by either consultants, staff or bigger business representatives, Measure C is *remarkably* regressive, haphazard and unfair to the City's smallest of small businesses.

For instance, some professionals, including those making \$10,000 or less working part-time like me, would see their already uniquely high flat tax more than double under Measure C, to more than double what the highest peer city charges, while other professionals and businesses making far more—up to over \$1.6 million—would inexplicably pay far less tax.

<sup>1</sup> At least 25 percent of Sacramento businesses earn \$10,000 or less in gross receipts per year (according to the City's own 2022-23 data, from page 47 of its [11/14/23 staff report](#)) and 43.32 percent of US home businesses earn \$10,000 or less per year (according to data from page 15 of a [2022 study](#)).

<sup>2</sup> San Francisco is listed as one of Sacramento's "peer jurisdictions" on page 412 of the City's [11/14/23 staff report](#).

UPDATE: Turns out [San Jose also exempts \(those earning up to \\$29,160 in gross receipts and/or up to \\$58,320 in adjusted gross income\)](#). Neither SF nor SJs exemption policies were mentioned in the 11-14-23 staff report.

For example, under Measure C, although we are both professionals (one requiring a state license, the other not), my husband would pay only \$154 on his over \$320,000 in 2023 gross receipts, while I would pay \$684 on \$3,690—i.e., he would pay over 4x less on 86x the income—simply because he is a consultant, while I am an attorney. By contrast, peer cities would charge me far less than \$684 in tax, e.g., \$0 in San Francisco, \$25 in Bakersfield, \$40 in Folsom and \$60 in Oakland. Even the State Bar of California, which licenses California attorneys, charges me less annually and scales the fee down for all attorneys that earn less than a stated amount.

Meanwhile, professional real estate brokers apparently struck a special deal, making the measure even more haphazard in its treatment of professionals, let alone of non-professionals.

Concerning non-professionals. like many start-ups, especially in the arts, our son made very little his first year in business as a musician, just \$22.17. Still, his effective tax rate was high, 135 percent (839 percent counting his home occupation permit fee). Yet, he would have paid even more under Measure C, 226 percent (929 percent with the fee). In San Francisco he would have paid zero.

At the same time, my husband paid just .048 percent on the over \$320,000 he earned last year. Moreover, under Measure C he would actually get a tax *cut*, paying only .043 percent on that same amount—just a fraction of a tenth of a percent—while a musician earning only \$22 pays a triple digit effective tax rate. That's regressive. That's unfair.

Even worse, under Measure C, businesses making far more than my husband's—including those earning upwards of \$500 million—would pay an even *smaller* fraction of a tenth of a percent effective tax rate, even once Measure C's tax cap increase is fully implemented, while, again, low-income start-ups like our son's would pay much higher effective tax rates.

We need greater fairness for low-income business owners, who typically cannot afford to have a representative at every council meeting—such as the last meeting before Thanksgiving, where the Council approved Measure C, as the nearly last item on a long agenda. While the Sacramento Metropolitan Chamber of Commerce was involved in the City's process to some extent, low-income businesses are less likely to be able to afford the Chamber's lowest tier membership fee of \$500/year. Hence, it is not clear to me that the interests of such businesses were as fully represented as they could have been. We rely more on our councilmembers to look out for us.

This brings me to another reason I ask you to withdraw your support for this measure. Since Measure C was rushed over the holidays, arguments against it won't even appear in the voter guide, as the first such argument would need to have been filed over Thanksgiving week and many weren't even aware of the measure until the first news coverage appeared in the [Bee on December 07, 2023](#). In other words, the smallest of small businesses will not be heard—unless you speak for us.

So, please, stand up for the smallest and most vulnerable businesses in our community, who are already struggling as it is. Please, publicly withdraw your support and express your intention to rework Measure C for the fall election.

I would be happy to discuss any of this with any of you, and encourage you to contact me at 916-692-5393 or [tiffany@tiffanyclarklaw.com](mailto:tiffany@tiffanyclarklaw.com). Thank you.

**CORRECTION: Worse than I originally calculated, so should instead read, "... I would pay about 5x more than my husband making 87x less income. That is, I'd pay \$684 on my 2023 part-time law practice income of under \$3,700, while my consultant husband would pay only \$138 on over \$320,000."**

Sincerely,



Tiffany Clark  
Attorney at Law  
Law Office of Tiffany Clark

**CLARIFICATION: Complete list includes,** "\$0 in San Francisco, \$0 in San Jose, \$25 in Bakersfield, \$40 in Folsom, \$60 in Oakland, \$87.07 in Fresno (making the "[alternate election](#)") and \$272 in Long Beach (as a [home-based business](#)).

**NOTE: Comparing how peer jurisdictions treat professionals is another example of information not provided to council in 11-14-23 staff report.**