



CITY OF
FORT LAUDERDALE

Business Tax Overview and Fee Options

October 23, 2025

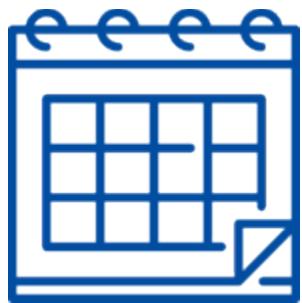
Business Tax Background



CITY OF FORT LAUDERDALE

CAM #26-0049
Exhibit 3
2 of 15

Business Tax Overview



Business Tax
Renewal Period
July 1 – September 30



19,601 Active
Businesses
*as of May 2025



Team of Four
Employees to
Administer the Tax



\$157.50 is the
average tax amount
per business

1

HIGH-RANGE CONTRIBUTOR

- All Others

2

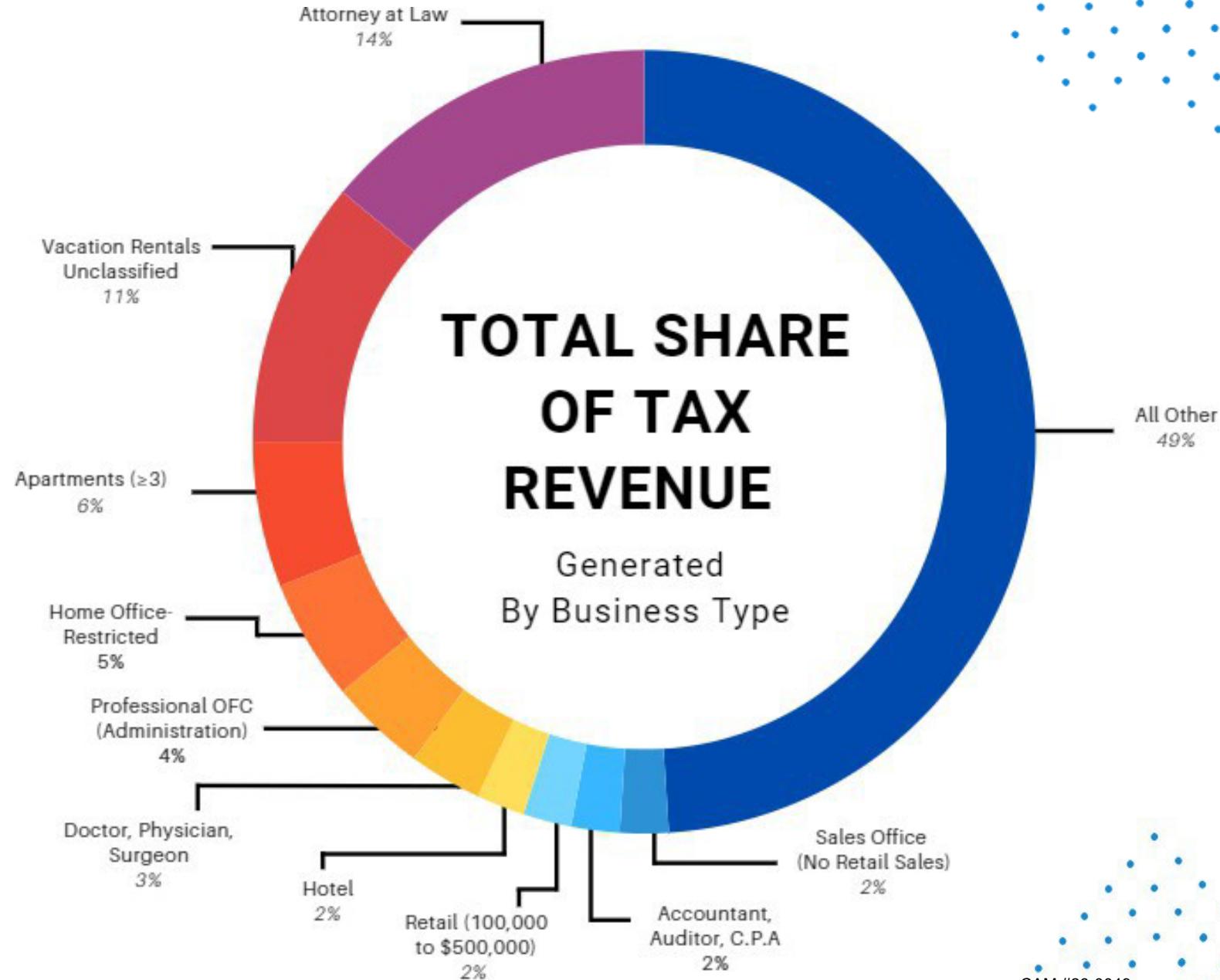
MID-RANGE CONTRIBUTORS

- Attorney at Law
- Vacation Rentals Unclassified

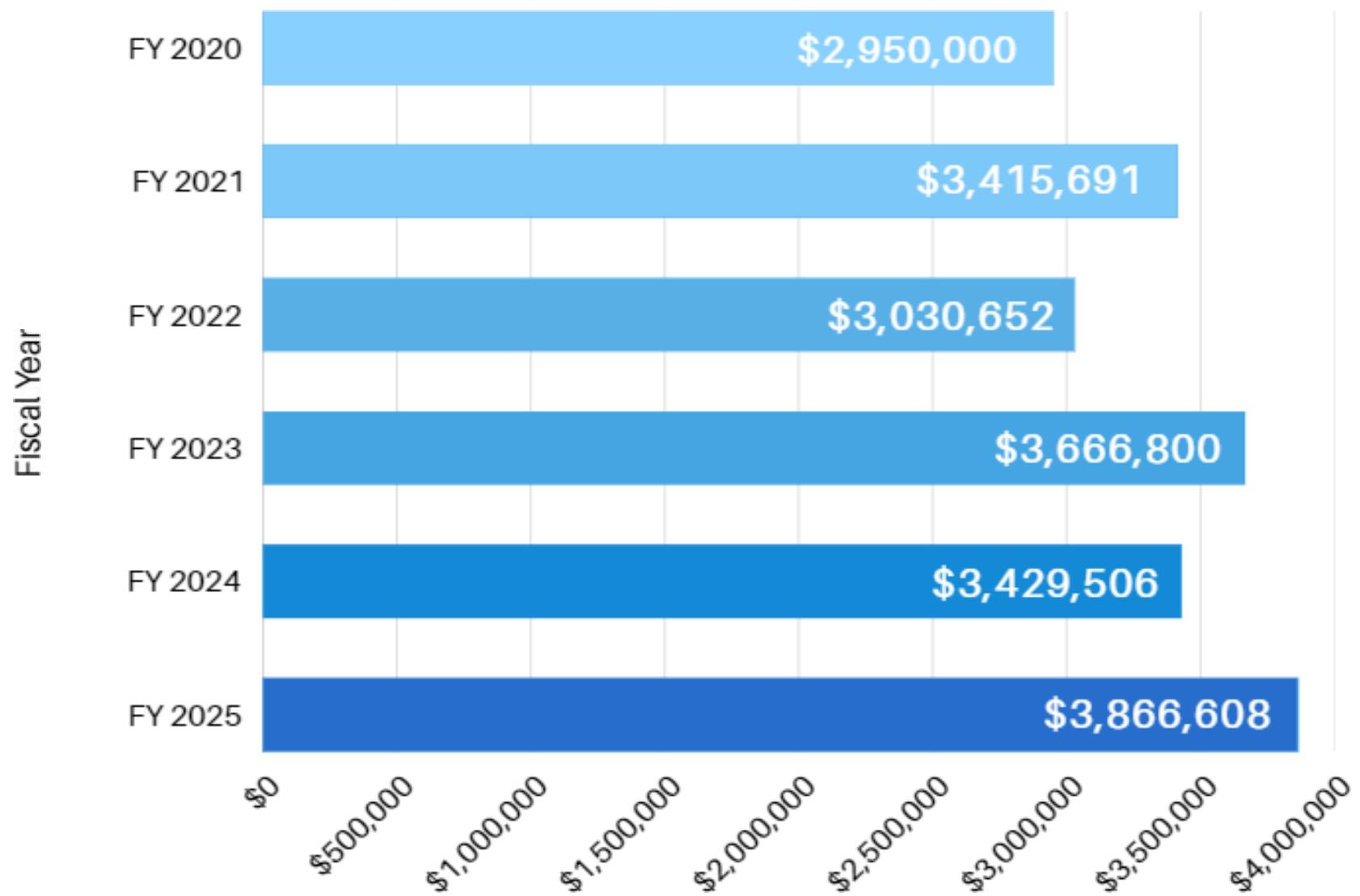
3

LOW-RANGE CONTRIBUTORS

- Accountant, Auditor, C.P.A
- Retail
- Hotel
- Doctor, Physician, Surgeon
- Professional OFC (Administration)
- Home Office-Restricted
- Apartments (≥ 3)

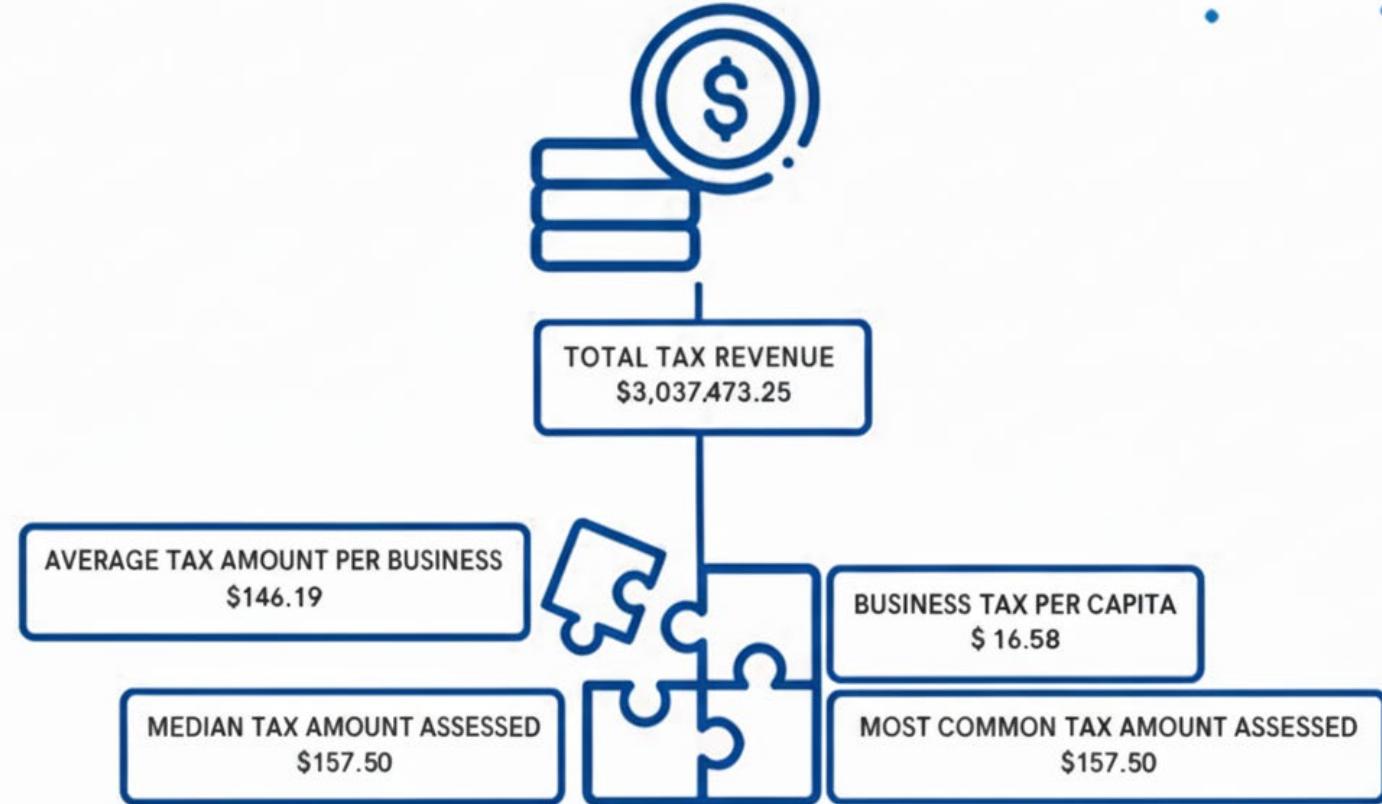


Annual Business Tax Revenue



Business Tax Revenue

The business tax study conducted by HdL Companies, Inc. in 2023 identified that in FY2023 the City received \$3,037,473.25 in business tax annual fees excluding late penalty fees.



Business Tax Revenue: Penalties

The remaining revenue (over \$600k) was generated through late payment fees, enforcement, and state revenue sharing agreements.



Business Tax Study Benchmarking

Jurisdiction Name	Estimated Population	Estimated Businesses	Tax Schedule General	Revenue in FY23	Year Adopted	Year Amended
Fort Lauderdale	183,146	20,919	Multiple Tax Types	\$3,666,800.00	1953	2004
Pompano Beach	112,302	15,121	Tiered Flat Rate	\$2,557,924.00	1958	2019
Coral Springs	113,369	13,815	Tiered Flat Rate	991,983.00	1972	2023
Jacksonville	985,843	64,893	Multiple Tax Types	\$6,779,000.00	1995	2024
West Palm Beach	120,932	15,539	Flat Rate Categories	\$4,206,715.00	2006	2021
Hollywood	152,650	17,225	Tiered Flat Rate	\$2,422,526.00	2007	N/A
			Flat Rate / Gross Receipts / Employee			
Sunrise	96,309	9,937		\$2,135,459.00	2007	2013
Cooper City	34,106	3,084	Tiered Flat Rate	\$355,730.00	2007	2023
			Tiered Flat Rate/ Gross Receipts			
Aventura	38,930	6,758		\$1,011,000.00	2008	2021
City of Miami	455,924	61,612	Multiple Tax Types	\$8,555,000**	2009	2023
Orlando	316,081	36,568	Multiple Tax Types	\$10,378,552.00	2010	2025

Business Tax Fee Structure Options

The 2023 business tax study conducted by HDL identified four (4) models that can be used to increase business tax rates while remaining compliant with State Statute tax increase limits (5% every other year).

Each model used the FY 2023 true business tax revenue of \$3.03 million to project the additional revenue based on the increase percentage.

Option 1: 1.5% Increase

Option 3: 5% Increase

Option 2: 3% Increase

Option 4: Blended Increase

OPTION 1 - 1.5% INCREASE

	1.5% INCREASE				
	Year 1	Year 3	Year 5	Year 7	Year 9
Total Tax Revenue	\$3,083,035.00	\$3,129,281.00	\$3,176,220.00	\$3,223,863.00	\$3,272,221.00
Average Tax Amount per Business	\$148.39	\$150.51	\$153.08	\$155.37	\$157.70
Median Tax Amount Assessed	\$159.86	\$162.26	\$164.69	\$167.16	\$169.67
Most Common Tax Amount Assessed	\$159.86	\$162.26	\$164.69	\$167.16	\$169.67
Business Tax Per Capita	\$16.83	\$17.08	\$17.34	\$17.60	\$17.86

Option 1: 1.5% increase over 9 years. This is the most conservative Option and would generate approximately **\$300,000** in additional revenue at the end of 9 years.

OPTION 2 - 3% INCREASE

	3% INCREASE				
	Year 1	Year 3	Year 5	Year 7	Year 9
Total Tax Revenue	\$3,128,597.00	\$3,222,455.00	\$3,319,129.00	\$3,418,703.00	\$3,521,264.00
Average Tax Amount per Business	\$150.78	\$155.31	\$159.96	\$164.76	\$169.71
Median Tax Amount Assessed	\$162.23	\$164.66	\$167.13	\$169.64	\$172.19
Most Common Tax Amount Assessed	\$162.23	\$164.66	\$167.13	\$169.64	\$172.19
Business Tax Per Capita	\$17.08	\$17.34	\$17.60	\$17.86	\$18.13

Option 2: 3% increase over 9 years. This is a moderate option generating approximately **\$500,000** in additional revenue at the end of 9 years.

OPTION 3 - 5% INCREASE

*Recommended Option

	5% INCREASE				
	Year 1	Year 3	Year 5	Year 7	Year 9
Total Tax Revenue	\$3,189,347.00	\$3,348,814.00	\$3,516,255.00	\$3,692,068.00	\$3,876,671.00
Average Tax Amount per Business	\$153.71	\$161.39	\$169.46	\$177.94	\$186.83
Median Tax Amount Assessed	\$165.38	\$167.86	\$170.38	\$172.93	\$175.53
Most Common Tax Amount Assessed	\$165.38	\$167.86	\$170.38	\$172.93	\$175.53
Business Tax Per Capita	\$17.41	\$17.68	\$17.94	\$18.21	\$18.48

Option 3: 5% increase over 9 years. This is the most aggressive option while still being compliant with state statute. This option would generate approximately **\$800,000** in additional revenue at the end of 9 years.

OPTION 4 - BLENDED INCREASE

Option 4: Blended percent increase over 9 years. The increase is **3.00%** over the first two (2) periods (Year 1 to Year 5) and then **1.50%** over the last two (2) periods (Year 5 to Year 9).

	BLENDED INCREASE				
	Year 1	Year 3	Year 5	Year 7	Year 9
Total Tax Revenue	\$3,189,347.00	\$3,237,187.00	\$3,334,303.00	\$3,384,317.00	\$3,435,082.00
Average Tax Amount per Business	\$153.71	\$158.32	\$163.07	\$165.52	\$168.00
Median Tax Amount Assessed	\$165.38	\$167.86	\$172.89	\$175.48	\$178.12
Most Common Tax Amount Assessed	\$165.38	\$167.86	\$172.89	\$175.48	\$178.12
Business Tax Per Capita	\$17.41	\$17.68	\$18.21	\$18.48	\$18.76

This option would generate approximately **\$400,000** in additional revenue at the end of nine (9) years.



Tax Impact on Sample Businesses

	 SALON 1-3 EMPLOYEES	 AC REPAIR SHOP	 COFFEE HOUSE	 RETAIL STOCK > \$1,000,000
CURRENT TAX	\$ 52.50	\$ 105.00	\$ 157.50	\$ 682.50
OPTION 1: 1.5% INCREASE	\$ 53.29	\$ 106.58	\$ 159.86	\$ 692.74
OPTION 2: 3% INCREASE	\$ 54.08	\$ 108.15	\$ 162.23	\$ 702.98
OPTION 3: 5% INCREASE	\$ 55.13	\$ 110.25	\$ 165.38	\$ 716.63
OPTION 4: BLENDED INCREASE (5% YEAR 1)	\$ 55.13	\$ 110.25	\$ 165.38	\$ 716.63





CITY OF
FORT LAUDERDALE

Questions?