CITY OF
FORT LAUDERDALE

Business Tax Overview and Fee Options

October 23, 2025

Business Tax Background

- 1953 – The City adopted the first Occupational License Tax.
- July 19, 1994, The City amended the Occupational License Tax ordinance to "Local Business Tax".
- October 19, 2004 – First and only 5% increase to occupational license tax since its original adoption.
- 2023 – The City contracted with HdL Companies (HdL) to review the existing business tax structure. This effort included benchmarking against comparable cities, exploring potential fee adjustments to align with those cities, and reorganizing business tax categories to improve the application and renewal process.
- March 4, 2025 – HDL and Staff presented findings to the City Commission. The Commission approved the consolidation of 646 business tax categories into 323 categories but did not support moving forward with rate adjustments.
- June 11, 2025 – The Budget Advisory Board emphasized the need to increase General Fund revenues, including a potential adjustment to the business tax rate structure.
- The State under F.S. § 205.042(4) regulates how often and by how much local governments (cities and counties) can adjust their business tax rates. The rates can be adjusted by up to 5% every other year.

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

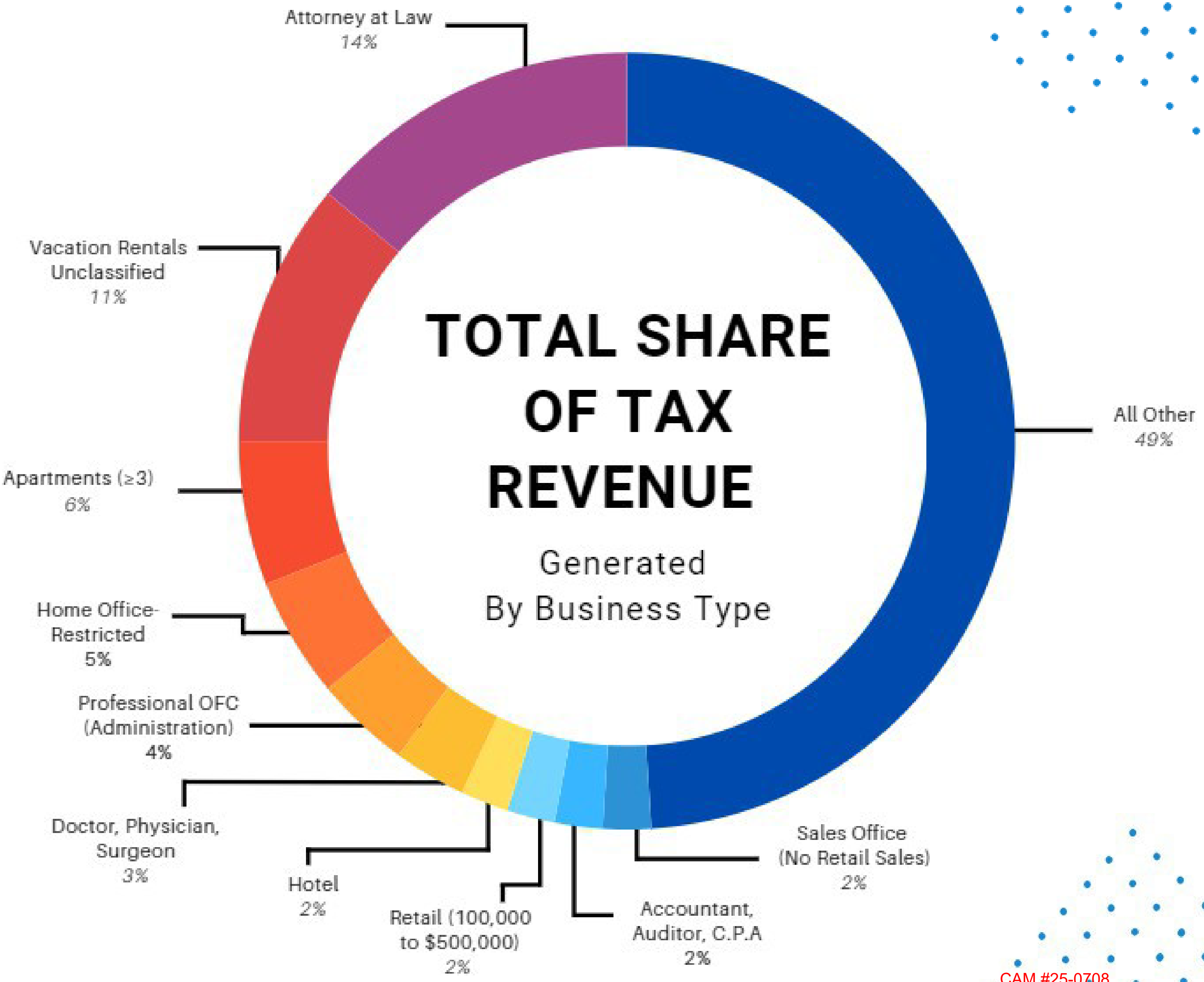
MID-RANGE CONTRIBUTORS

- Attorney at Law
- Vacation Rentals Unclassified

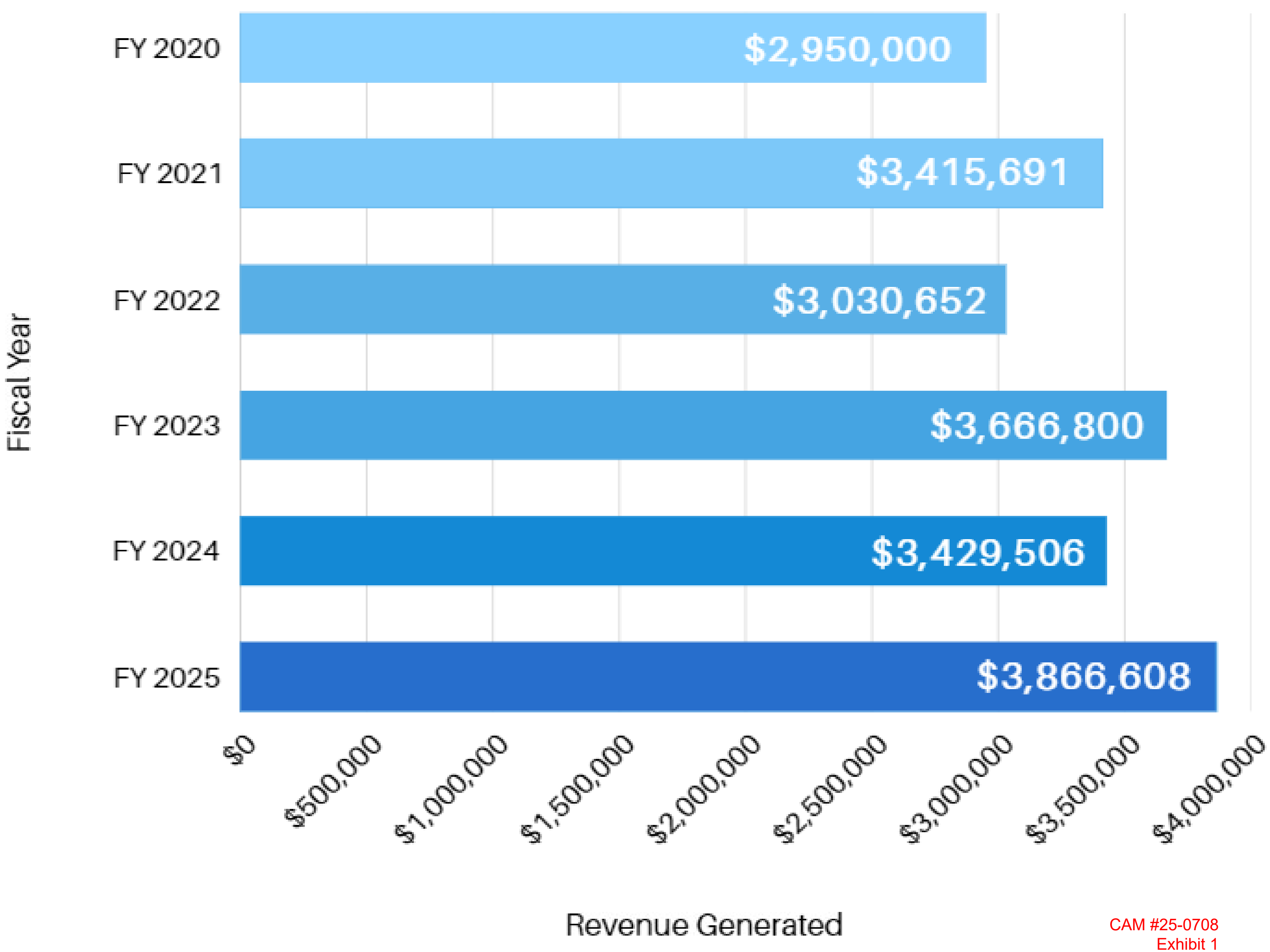
3

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.

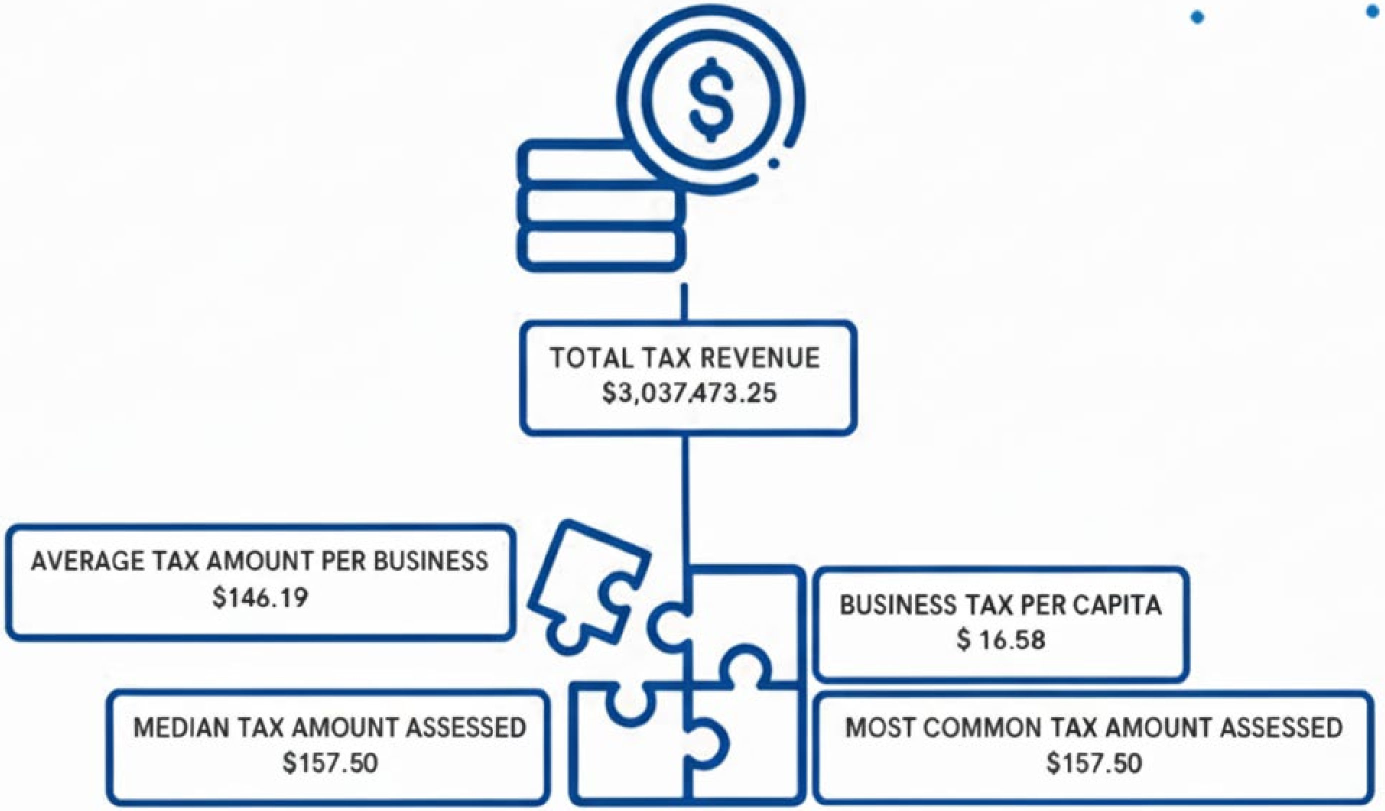


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Exhibit 1
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Business Tax Revenue: Penalties

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
Sunrise	96,309	9,937	Flat Rate / Gross Receipts / Employee	$2,135,459.00	2007	2013
Cooper City	34,106	3,084	Tiered Flat Rate	$355,730.00	2007	2023
Aventura	38,930	6,758	Tiered Flat Rate/ Gross Receipts	$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

Tax Schedule Definitions:
- Multiple Tax Types – This structure applies different tax rates based on a business's specific category.
- Tiered Flat Rate – This system assigns different tax rates to different income brackets.
- Flat Rate / Gross Receipts – This is a predetermined tax amount that a business pays, regardless of its gross revenue.

** The City of Miami does not have a published actual figure for FY23, so the figure presented is the budgeted amount for FY23 found in their most recent budget.

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 2: 3% Increase

Option 3: 5% 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 statue. This option would generate approximately **$800,000** in additional revenue at the end of 9 years.

OPTION 4 - BLENDED INCREASE

	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

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).

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

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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

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Questions?