

NEWS

FROM THE OFFICE OF COUNCILMEMBER
PAUL KORETZ
FIFTH DISTRICT



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LA City Council Votes to Approve Koretz Initiative to Fix Disparity in Gross Receipts Tax for EV Charging Companies

Helping Pave the Way for Increased Electric Vehicle Charging Infrastructure.

Los Angeles, CA - September 28 - Today the Los Angeles City Council voted to approve an [initiative](#) spearheaded by Councilmember Paul Koretz to right-size the gross receipts tax at the City's retail tax rate of \$1.27 per \$1000 of revenue for electric vehicle charging companies since some have been assessed at the hefty business tax rate of \$4.25 per \$1,000. The Council action requests the City Attorney to draft an ordinance that will create a unique classification for electric vehicle charging transactions and level the amount that these companies pay. The action also instructs the Office of Finance to report back on the feasibility of implementing the change, including any associated budget impact.

"It is ridiculous that we are gouging EV charging companies, who are paying nearly three times that of gas stations on some of their revenue. It's like the opposite of a sin tax for companies that do harm, we could call it a saint tax on companies like EV charging that benefit our planet." said Councilmember Koretz. "If we are really serious about incentivizing the use of electric vehicles and building out the necessary charging infrastructure, and encouraging EV charging companies to come to LA and stay in LA, then this is a crucial piece of that puzzle."

Currently, EV charging companies are paying two different gross receipts tax rates – \$1.27 for every \$1,000 of revenue for one-off purchases when someone uses a personal credit or debit card at a charging station, and \$4.25 for every \$1,000 of revenue when a customer purchases electricity as part of a package they bought or were given when their vehicle was purchased. This is because the electricity purchased as part of a contract or membership entered into with a dealership or electric vehicle company is categorized as a service and part of the Professions and Occupations Section of the code.

"The climate crisis demands that we do everything in our power to incentivize the use of electric vehicles," said Councilmember Kevin de Leon who seconded the motion. "The system now does the opposite by giving gas stations an economic advantage over EV charging stations. This initiative will challenge the status quo and prioritize the expanded use of electric vehicles."

"We're actually double charging the incentive of this ability to purchase and maintain electric vehicle ownership," Councilman Mitch O'Farrell said who Chairs the Council's Energy, Climate Change, Environmental Justice, and River Committee. "We want to do the opposite and encourage everyone ... to get into this business because it's going to have an all-hands approach." said the motion was an effort to reach our imperative of complete renewable energy by 2035, we have to be master sleuths and look at the deficiencies in codes and ordinances."

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