



Business Tax

March 12, 2025



CITY OF PORT ST LUCIE

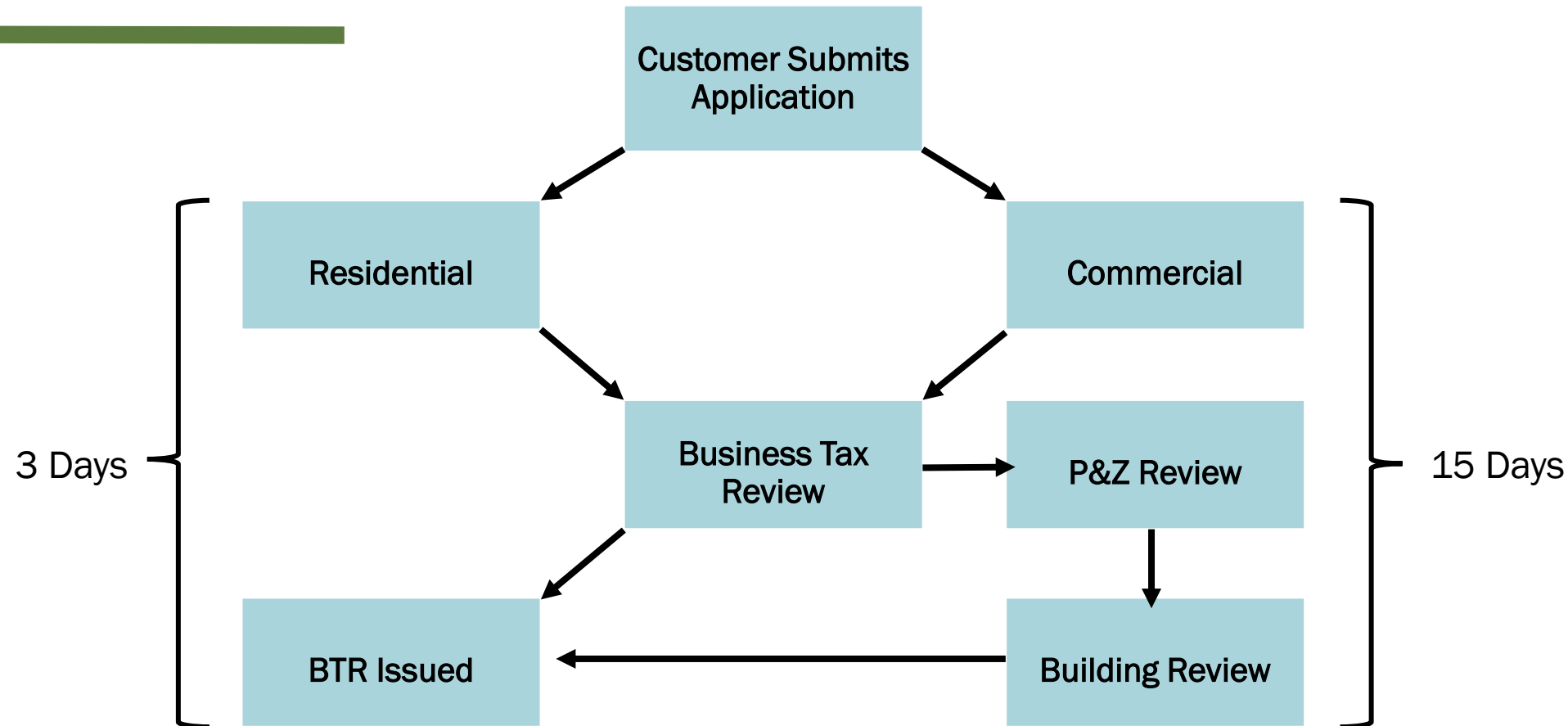
Business Tax Collection Initiatives
Enhancing Compliance and Efficiency for Port St. Lucie

Agenda

1. Overview of Business Tax Department
2. Business Tax Application Process
3. Challenges in Coverage and Compliance
4. Proposed Interlocal Agreement with St. Lucie County
5. Benefits of Collaboration
5. Advisory Board Input



Business Tax Application Process



Business Tax Renewal Process



- Business taxes must be paid annually
- Annual renewals sent out via email and mail in July
- Easy online process to renew
- Generates over \$2 million annually to the General Fund
- Approximately 1265 new BTRs issued in FY24
- YTD 442

Business Tax Compliance


Two main ways to be non-compliant with Business Tax:

- Operating a business without a valid City of Port St Lucie BTR
- Renting or providing space to a business that does not have a valid City of Port St Lucie BTR

Business Tax Compliance

A solid green horizontal bar.

How the Business Tax Division Identifies Non-Compliance:

- In-Person site visits
 - SunBiz Registrations
 - Social Media and other Advertising
 - Call in Complaints
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- Decorative geometric shapes in the bottom-left corner: a teal triangle, a yellow triangle, and a green triangle.

How Business Tax Enforces Compliance



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- In-Person site visits
 - Letters
 - Personal Phone Calls
 - Robo Calls
 - Emails
 - Text Messages
 - Special Magistrate Hearings

Impact of Non-Compliance on Revenue and Community Standards

- Non-compliant businesses result in uncollected taxes.
- Approximately \$350,000 annual revenue loss.
- Health and safety concern for citizens. Unsafe buildings, unpermitted locations, invalid licensing.
- Unchecked violations affect the City's reputation and attractiveness to new businesses.
- Businesses that comply feel unfairly burdened

Strategies for Increased Compliance

- Requesting 1 additional compliance officer for FY26.
- Hired 3rd party vendor to identify non-compliant businesses and send letters.
- Creating an outreach program through Communications increasing awareness of BTRs, how to apply, and repercussions of non-compliance
- Adoption of the Special Magistrate process and Business Tax liens.
- Further simplifying the application process
- Exploring interlocal agreement with the County to take over collections

Exploring an Interlocal Agreement for Business Tax Processing

Current Process: Business Tax Applications and renewals are currently handled independently by the City and St Lucie County Tax Collectors Office.

Challenges: Business owners must redundantly provide the same information to both entities.

Proposed Process: City of Port St Lucie collects County BTR taxes for business located within City limits.

Benefit: Business owners can make a single application or renewal that pays for both the City and County Business Taxes.

Opportunities Through an Interlocal Agreement

Advantages of Assuming Responsibility for County BTR Collections:

- Share resources for processing and enforcing business tax compliance.
- Leverage City expertise and systems to improve efficiency.
- Streamline the issuance and renewal of BTRs through the City system.
- Simplified processes for both the City and local businesses.
- Higher compliance rates leading to improved tax collection.
- Improved reputation for the City as a business-friendly environment.



In Summary



- The Business Tax Office continues to discuss the challenges of current compliance, highlighting resource limitations, community impacts and revenue implications while connecting it to the potential benefits of a new approach.
- Enhanced compliance efforts will reduce violations and improve revenue collection.
- The interlocal agreement with St. Lucie County creates a **one-stop shop** for small business owners, simplifying their experience while promoting compliance.

Recommended Action



Staff is seeking support from the Citizens Advisory committee to:

1. Request an additional compliance officer in FY26
2. Continue working with the County on an interlocal agreement

Questions?



With your guidance and support, we can create a seamless and effective process that supports our local businesses and secures the City's economic future.