

RICHMOND'S TAX REVENUE FROM CHEVRON

An Excerpt from the Forthcoming Report by the West County Indicators Project

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This research brief on Richmond's public revenue from Chevron is a chapter excerpted from the forthcoming report to be released in early 2009 by the West County Indicators Project. The West County Neighborhood Indicators Project for Environmental, Economic, and Community Health works with residents of West Contra Costa County to develop and publish a set of neighborhood indicators representing their visions for thriving, healthy communities and to build their capacity to take action to realize those visions. Indicators provide solid information on neighborhood conditions that help increase the power of community residents to organize and advocate, and help measure progress towards their vision. This community-driven research can play a key role in building community power to catalyze positive neighborhood change.

The West County Indicators Project is a partnership of 8 community-based and neighborhood organizations in Richmond, North Richmond, and San Pablo, and a research organization, the Pacific Institute. The project is guided by a steering committee that has included leaders from the West County Toxics Coalition, Contra Costa Interfaith Supporting Community Organization (CCISCO), Neighborhood House of North Richmond, Iron Triangle Neighborhood Council, ACORN, Morada de Mujeres del Milenio, North Richmond Shoreline Alliance, and Richmond Progressive Alliance.

The research conducted by the Indicators Project focused on: air quality, freight transport, illegal dumping, city parks, street lighting, healthy homes, affordable housing, water contamination, shoreline access, liquor stores, resources for formerly incarcerated residents, local tax revenue, local flaring events, and youth programs.

To access a free digital copy of the "Richmond's Tax Revenue From Chevron" chapter from the West County Indicators Project, with statistics and recommendations, go to the Pacific Institute website at www.pacinst.org/tax_revenue_chevron.

For more information, contact Eli Moore at emoore@pacinst.org or (510) 251-1600.

The West County Indicators Project is funded by the California Wellness Foundation, the San Francisco Foundation, the Wallace Alexander Gerbode Foundation, the East Bay Community Foundation, and Rose Foundation. Supporters of an earlier phase of the project also included the Y&H Soda Foundation and the Firedoll Foundation.

Based in Oakland, California, the Pacific Institute is a nonpartisan research institute that works to create a healthier planet and sustainable communities. Through interdisciplinary research and partnering with stakeholders, the Institute produces solutions that advance environmental protection, economic development, and social equity – in California, nationally, and internationally. www.pacinst.org



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When the street conditions in Richmond were ranked the worst of all urban areas in the Bay Area by the Metropolitan Transportation Commission,¹ Richmond residents were hardly surprised. Richmond residents did not need the ranking to tell them what they already knew: in a 2007 survey, 72% of Richmond residents rated the city's street repair services as "poor."² All residents and businesses in any city rely on the services and infrastructure that are maintained by public revenue, from commercial trucks that use local streets to residents and businesses that rely on local police and fire departments, to entire communities that rely on adequate street lights and local parks for a safe and healthy neighborhood environment.

Street maintenance, public safety services (police and fire departments), sewers, housing and redevelopment, parks, street lights, and community centers all rely on public revenue collected by the city of Richmond—revenue that is largely generated from taxes and fees on local businesses, property owners, and residents. With Richmond's public streets in worse condition than any other urban area in the nine-county Bay Area, parks across the city in dilapidated conditions,³ and other considerable needs for improved services and infrastructure, the city is clearly in need of increased public revenue.⁴

The largest business in Richmond, and an important source of the revenue that funds essential city services and infrastructure, is the Chevron refinery. The Chevron refinery and associated operations are situated on 126.3 million square feet of property, occupying 13.4% of the city's land.⁵ Chevron is the third largest corporation in the country (in terms of revenue),⁶ with revenue of \$210 billion and a profit of \$18.7 billion in 2007.⁷ While Chevron benefits from its strategic location, the people, and the infrastructure provided by the City of Richmond, how much it gives back in terms of local revenue has not always been clear.

What Did Our Research Find?

The portion of the City of Richmond budget that comes from Chevron's taxes and fees is debated: it has been published that it comprises as much as 33% of the budget, while some residents doubt it is so high.⁸ The purpose of our research is to investigate this discrepancy in perception and gather all relevant, publicly available data to determine how much Chevron actually contributes to the City of Richmond.

¹ Metropolitan Transportation Commission. (2006). Bay Area Pavement Quality Remains in Danger Zone. Retrieved September 5, 2007 from http://www.mtc.ca.gov/news/press_releases/2006/rel376.htm.

² National Research Center. (2007). The National Citizen Survey, City of Richmond, CA. Boulder, Colorado: NRC, 24.

³ West County Indicators Project. (In Press). Pacific Institute, Oakland, CA.

⁴ Additionally, public institutions such as public schools and public transportation are partially funded by taxes that are collected by Contra Costa County.

⁵ Chevron Richmond Refinery. About the Refinery. Retrieved June 19, 2008, from <http://www.chevron.com/products/sitelets/richmond/about/>.

⁶ Associated Press. (2008, April 22). Chevron tops in Bay Area at third on Fortune 500 list. *San Francisco Chronicle*.

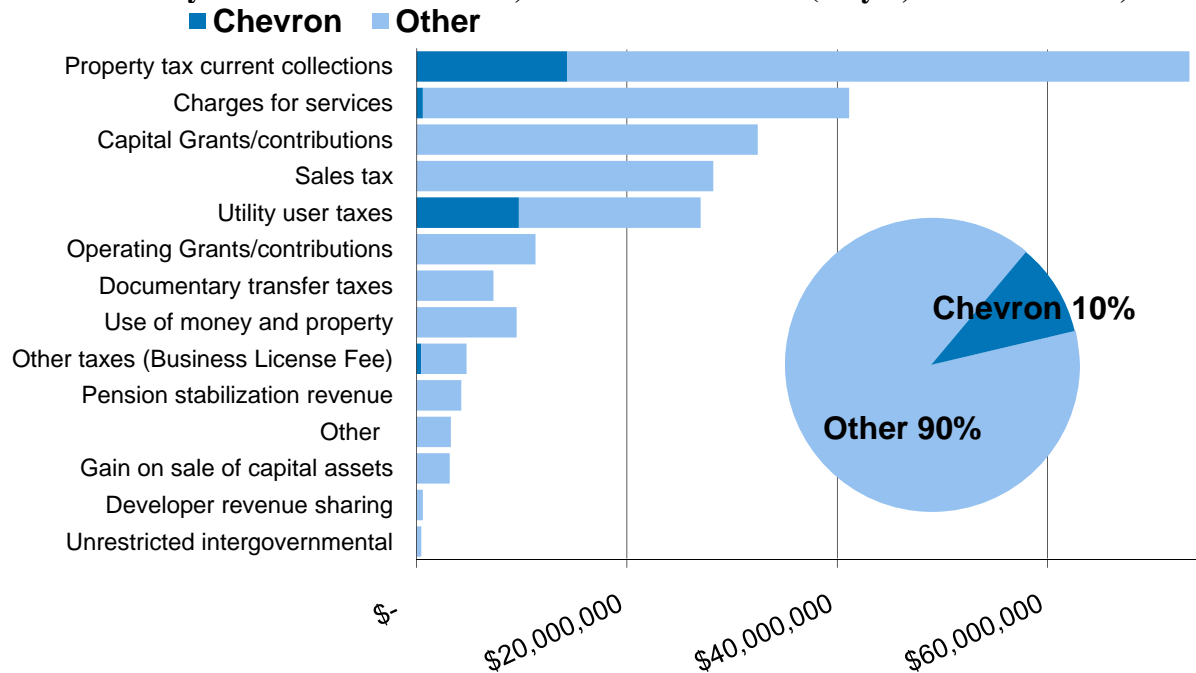
⁷ Hoover's. Chevron Income Statement. Retrieved October 7, 2008 from http://www.hoovers.com/chevron/--ID_103877,ticker_CVX--/--free-co-fin-factsheet.xhtml.

⁸ For example, *Contra Costa Times* political editor Lisa Vorderbrueggen wrote Chevron comprises one third of the city's revenue sources. Vorderbrueggen, L. (2008, March 2). Richmond facing Chevron decision. *Contra Costa Times*. Alternatively, activists going door to door to gather signatures for the Fair Share for Richmond campaign report that many residents estimate Chevron's payments to be much less. Langlois, Marilyn. Richmond Progressive Alliance. Personal communication, (2008, June, 12).

Based on publicly available information, Chevron paid \$25,066,925 to the City of Richmond in 2007 through all significant taxes and fees, which amounted to about 10% the total city's total annual revenue (\$246,872,000 in 2007). This is considerably lower than previously published estimates. Like many large corporations, Chevron contributes to the community not only through taxes and fees, but also through charitable donations; however, our research shows Chevron's charitable donations are minimal when compared with how much tax, and ultimately public revenue, Chevron has and continues to work to reduce Utility Users Tax and property tax payments (see box on Chevron's Annual Charitable Donations).

This indicator measures one important stream of local revenue in Richmond: the payments of taxes and fees by Richmond's largest industry, the Chevron refinery. In particular, this research focused on the five taxes or fees that generate all significant local revenue from major industry: property tax (which is paid to the city, the county, and other jurisdictions); charges for services (sewer and storm drain fee); sales tax (collected by the state and then redistributed to local cities); the business license fee; and Utility Users Tax.

Sources of City of Richmond Revenue, Fiscal Year 2006-07 (July 1, 2006 – June 30, 2007)



* The rate used to calculate Chevron's Utility Users Tax payment is confidential. The figure here is an estimate based on publicly available information (see methods section).

*** Information on a specific company's sales tax payments is not available to the public; this estimate is based on information that the City of Richmond does not receive sales tax payments from the Chevron refinery.

Below is an explanation of each of the five types of taxes and fees that make up Chevron's contributions to local public revenue. We report information about what is being taxed and who has to pay it, the rate of the tax, where the revenue goes, and what portion of the total revenues collected from these taxes comes from Chevron.

Property Tax

1. What is being taxed and who has to pay it?

Property tax applies to privately owned land and the buildings on that land. All property owners in Richmond must pay property tax according to state regulations.

2. What is the rate and what does the revenue from this tax go toward?

Every year, property owners pay 1% of the assessed value of their property, plus an amount for the debt service on any bonds approved by popular vote.⁹ In recent years, property owners in Richmond have also paid an additional rate to help fund the pensions of city employees. In fiscal year 2006/07, this additional rate was 0.14%, making the total property tax rate 1.14% of the property's assessed value.¹⁰ The revenue from property taxes goes to the City of Richmond and over a dozen other public institutions (the school district, the county, and others). Richmond itself receives 28.51% of the funds generated by property taxes paid in Richmond.

3. What is the total revenue from this tax and how much does Chevron pay?

The total the City of Richmond received in property tax revenue in fiscal year 2006/07 was \$73.5 million.¹¹ Chevron contributed \$14.3 million, about 20% of the total property tax revenue received by the city in fiscal year 2006/7.¹² The total value of Chevron's property is assessed to be \$3,391 million, which amounts to 34% of the net value of all property in Richmond.¹³

Sewer and Storm Drain Fee (Charges for Services)

1. What is being taxed and who has to pay it?

The storm and sewer drain fee is part of a category of city revenue known as "Charges for Services." This is a fee for use of Richmond sewer and storm drain services. While there are other sources of revenue included in the "charges for services" category, the sewer and storm drain fee is the only one that applies to Chevron.

2. What is the rate and what does the revenue from this tax go toward?

The rates for sewer and storm drain services vary depending on whether you have a single-unit residence, multi-unit residence, or an industrial or commercial business. Revenue from sewer and storm drain fees goes into the "Charges for Services" section of the City budget.

3. What is the total revenue from this tax and how much does Chevron pay?

Last year, city revenue from "Charges for Services"—the budget category that includes the sewer and storm drain fees—was \$41.1 million. Chevron contributed \$587,967—about 1.45% of the revenue from Charges for Services.¹⁴

⁹ California State Board of Equalization. (2006). Frequently Asked Questions. Retrieved April 21, 2008 at <http://www.boe.ca.gov/proptaxes/faqs/generalinfo.htm>.

¹⁰ City of Richmond. Ordinance No. 43-07 N.S. Retrieved April 21, 2008 at <http://www.ci.richmond.ca.us/archives/66/ord.%2043-07%20tax%20override%20pension%20fund%2007-08.pdf>.

¹¹ City of Richmond. (2006/07). Comprehensive Annual Financial Report (CAFR). Richmond, CA, 8.

¹² Meeting with City of Richmond Finance Department, March 27, 2008.

¹³ City of Richmond. (2006/07). Comprehensive Annual Financial Report (CAFR). Richmond, CA, 148.

¹⁴ City of Richmond Finance Department, meeting on March 27, 2008.

Sales Tax

1. What is being taxed and who has to pay it?

Sales tax applies to any sales transaction made between a retail business and a customer, which can be either an individual or a business. Sales tax does not apply to transactions involving a buyer who is going to resell the purchased item.¹⁵ Sales of petroleum products typically occur between the refinery and wholesale distributors, so these sales do not qualify for a sales tax.

2. What is the rate and what does the revenue from this tax go toward?

If the business is located in Richmond and the product is being sold to a customer within California, the sales tax is collected in Richmond.¹⁶ All businesses with sales in Richmond must pay 8.75%¹⁷ of the gross receipts of their qualifying sales. Revenue from sales tax primarily goes to the State of California, but a portion goes to the city where the sale occurred. Of this sales tax revenue, 0.75% goes to the city or county of place of sale or use, and 0.5% to the Richmond Transactions and Use Tax. The State of California receives 6.25% and BART and county transportation funds receive the remaining 1.25%.¹⁸

3. What is the total revenue from this tax and how much does Chevron pay?

The sales tax revenue received by the City of Richmond last fiscal year was \$28.2 million.

The amount Chevron contributed is not available to the public because sales tax information for a specific individual or company is kept confidential by the city and state. Because Chevron only pays sales tax on the sale of products not going to be resold, Chevron's contributions to sales tax revenue are limited to tax on the sales it makes at retail outlets in Richmond.¹⁹ In other words, Chevron's sales tax payments are limited to the sales made at gas stations in Richmond, not the sales of what is produced at the refinery. We do not include the sales taxes from Chevron's retail gas sales because our analysis focuses on taxes paid by Chevron for activities related to its refinery operations.

Utility Users Tax (UUT)

1. What is being taxed and who has to pay it?

This is a tax on every utility (water, electricity, gas, telephone) user in the city.

2. What is the rate and what does the revenue from this tax go toward?

This tax is usually imposed at the rate of 8% of the costs of utilities.²⁰ However, Chevron has historically negotiated its own UUT rate. For 20 years (from 1986 to 2006), the city allowed Chevron to pay a flat rate of \$1.2 million monthly, amounting to \$14.4 million annually.

¹⁵ California State Board of Equalization. Sales and Use Tax Regulation 1668.

¹⁶ California State Board of Equalization. (2006). Tax Information for City and County Officials. Retrieved April 21, 2008 from: www.boe.ca.gov/pdf/pub28.pdf.

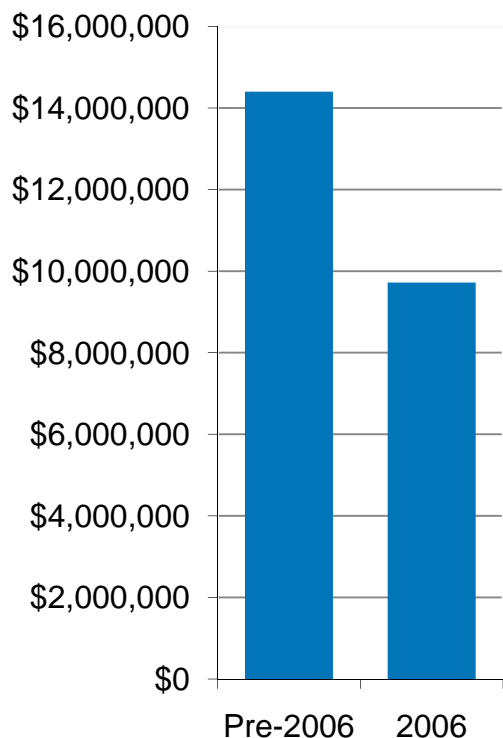
¹⁷ California State Board of Equalization. (2008). California City and County Sales and Use Tax Rates. Retrieved April 21, 2008 from <http://www.boe.ca.gov/cgi-bin/rates.cgi?LETTER=R&LIST=CITY>.

¹⁸ Meeting with City of Richmond Finance Department, March 27, 2008.

¹⁹ Meeting with City of Richmond Finance Department, March 27, 2008.

²⁰ City of Richmond. Municipal Code 13.52.040. Accessed on April 22, 2008 from <http://bpc.iserver.net/codes/richmond/index.htm>.

Estimated Annual Chevron Utility Users Tax Payments



In 2006, Chevron decided to start using the same 8% tax rate all other utility users have to use. However, the company has stated that it cannot publicly release information about its energy usage charges, therefore the public, and even city officials, have had to rely on Chevron itself to calculate how much 8% of utility costs amounts to.²¹

3. What is the total revenue from this tax and how much does Chevron pay?

The total city revenue from the Utility Users Tax in fiscal year 2006-07 was \$27 million. The amount Chevron pays has not been released to the public; the only publicly available information our research found is in a September 2006 article in the *Contra Costa Times*. According to the article, the change in Chevron's method of calculating the Utility Users Tax reduced the first month's payment from \$1.2 million per month to \$810,000 per month—a reduction of \$390,000.²² Without accurate publicly available information on annual payments or utility use, the only means to estimate Chevron's annual payments is to assume that the only month reported is a typical month and use it as an average to

estimate annual payments. Assuming Chevron continues to pay this amount each month, the yearly total revenue from Chevron's UUT payments would be \$9.72 million, \$4.68 million less than it has paid each year for two decades.

Other Taxes (Business License Fee)

1. What is being taxed and who has to pay it?

The City tax code states: "Every person engaged in the manufacturing, wholesaling or retailing business or providing any service to the public or engaging in or conducting any other business not elsewhere in this chapter specifically mentioned shall pay annually a license fee."²³

2. What is the rate and what does the revenue from this tax go toward?

Each person who qualifies must annually pay a license fee of \$234.10 plus \$46.80 per employee for the first 25 employees and \$40.10 per employee in excess of 25 employees.²⁴ The business license fee and other permit and license fees go into the city's General Fund.²⁵

²¹ Geulardi, John. (2006, September 8). Utility Tax Recalculation Costs City. *Contra Costa Times*. Accessed on April 21, 2008 from: <http://www.gaylemclaughlin.net/press-2006.htm>.

²² Ibid.

²³ City of Richmond. Business Tax Code 7.04.030. Accessed April 22, 2008 from <http://bpc.iserver.net/codes/richmond/index.htm>.

²⁴ Ibid.

²⁵ The revenue from the business license fee is counted in the General Fund category "Licenses permits and fees" of the General Fund, whereas it is counted in the "Other Taxes" category of the Changes in Net Assets section of the Comprehensive Annual Financial Report.

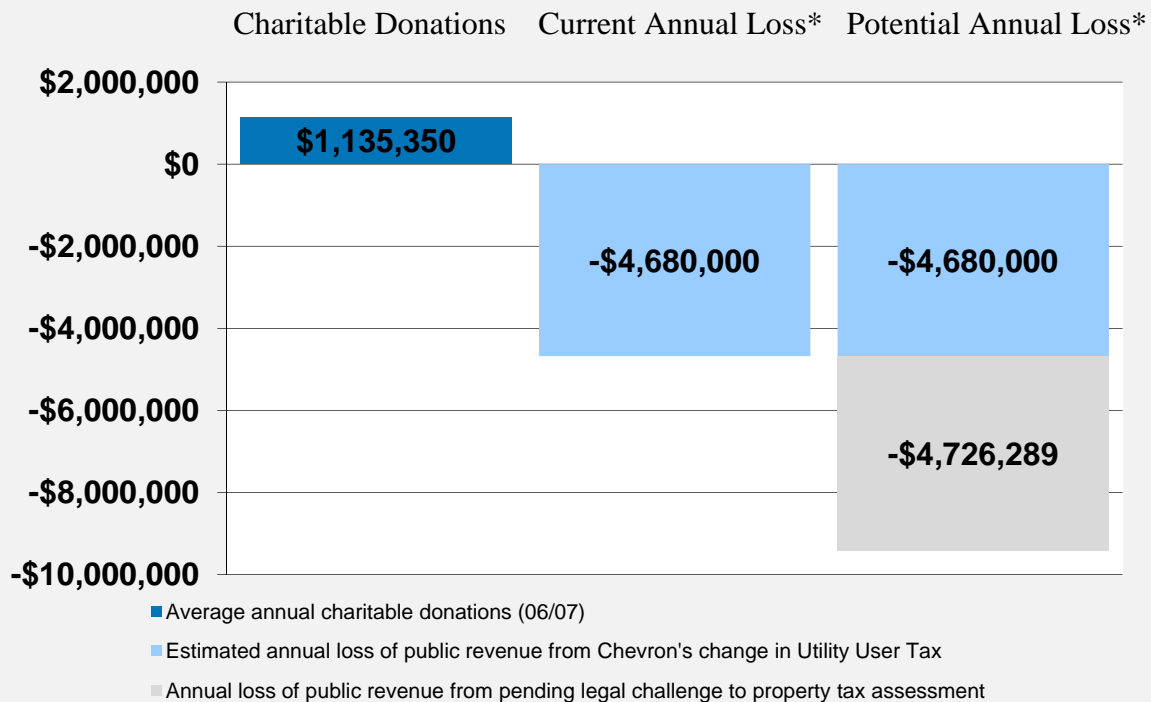
3. What is the total revenue from this tax and how much does Chevron pay?

Revenue categorized as “Other Taxes” in the city’s Comprehensive Annual Financial Report last fiscal year was \$4.7 million. Chevron’s 2006/07 payment in the Other Taxes category amounted to \$420,000—about 9.71% of all the Other Taxes revenue.²⁶ About a quarter of Chevron’s contributions to Other Taxes comes from the business license fee, which, based on public records stating the number of employees as 2,461, would have been \$99,088.²⁷

Chevron Charitable Donations

Contrasting the company’s local charitable donations with the money it has already removed and more it is attempting to remove from public revenue presents a contradiction in Chevron’s stated goals of being “committed to contributing to the social and economic development of the Richmond community.”¹ Chevron initiated a court case in 2007 challenging the property taxes that benefit the City of Richmond and Contra Costa County. If Chevron is successful, Richmond is expected to lose \$4.7 million among other fiscal effects.² Chevron reported giving \$1.25 million to service providers in Richmond and Contra Costa County during 2006² and \$1.02 million in 2007.³

Chevron’s Annual Charitable Donations vs. Estimated Annual Loss in Public Revenue from Chevron Tax/Fee Payment Reductions



During a two-year period when the company donated an annual average of \$1.1 million in charitable donations for service providers, Chevron also took action to reduce its annual contributions to city revenue by an estimated \$9.4 million. It is also important to note that Chevron does not have a

²⁶ Meeting with City of Richmond Finance Department, March 27, 2008.

²⁷ City of Richmond Comprehensive Annual Financial Report (CAFR), 2006/07, p. 160.

nonprofit foundation through which it makes donations. Therefore, it is not required to publicly release complete information regarding how much and to whom money is donated.

*Estimated

¹ Chevron Corporation. (2007). Community Involvement. On file with author.

² Borenstein, D. (2007, November 25). Chevron refund would harm county. *Contra Costa Times*.

³ Chevron Corporation. (2008). Community Involvement. Retrieved June 23, 2008 from http://www.chevron.com/products/sitelets/richmond/pdfs/Richmond_Donations_Char_9.pdf.

What does this mean for Richmond Residents?

Every city levies taxes and fees on local residents, businesses, and property owners to generate public revenue to fund essential services and infrastructure. A lack of public revenue can prevent the adequate maintenance and expansion of public infrastructure and services. Further, addressing many of the health and environmental justice issues addressed in the full West County Indicators report from which this chapter is taken will require healthy public revenue. Increasing the quantity and quality of youth programs, installing adequate street lights throughout the city, and improving city park conditions are only a few of the measures of community wellness that depend on city funding.

While all Richmond residents depend on services and infrastructure financed by local revenue, without the means to pay for alternatives to many of these services, low-income residents are particularly impacted when public revenue falls short and services and infrastructure fall into disrepair. For instance, if staffing at city parks and community centers is forfeited, the cut most affects parents who cannot afford to send their children to private camps or youth programs. Forty-four percent of Richmond residents are considered low, very low, or extremely low income; these residents are most impacted by insufficient public funding.

Industries like the Chevron refinery offer both a benefit and a cost to the cities in which they are located. The benefits of such industrial operations can include the generation of good jobs for local and regional residents, charitable contributions to local community activities and needs, and local and county tax revenue. The costs of an industrial operation such as a refinery include environmental and community impacts on local residents and other businesses, including:

- Lost work time, reduced quality of life, and experiences of stress and fear for local residents when accidental releases of air pollution triggers an emergency warning system, requiring residents and workers in the vicinity of the refinery to stay indoors, and at times to seal windows and doors;
- Long-term, chronic exposure to pollutants that are routinely emitted from refineries, either through flaring or through other routine pollution emissions;
- Diesel pollution, traffic congestion, and increased risk of hazardous accidents from the ships, trains, and trucks that move Chevron's primary product, bringing liquid petroleum to the refinery via ships, and moving finished oil products from the refinery via trucks and trains.

Because many of these risks are physically specific to the refinery operation itself, while the benefits, such as jobs and tax revenue, may be dispersed throughout a wider geographic area, it is possible that industrial operations can concentrate environmental and other risks in a local area,

without offering a proportional set of benefits either for local residents or for the local city government. Each city or community needs to decide for itself whether this risk-benefit equation is a sensible one for them, and if not, how to ensure that local benefits and local risks can be made more equitable.

However, in order to consider whether the benefits of a local industrial operation outweigh the risks, local residents need an accurate assessment of what those local benefits are. In the case of local tax revenue, we have been able to provide this information only after a lengthy process of meeting with city staff, reading archived press articles, and drawing together data from various sources.²⁸ The lack of transparency becomes evident in the case of the Utility User Tax, as Chevron unilaterally calculates how much it should pay the city based on undisclosed information about its utilities usage. With Chevron's 2006 decision to reduce the amount it was paying to the city in utilities users fees, Richmond has lost approximately \$4.68 million in annual revenue, with no public access to the information needed to verify whether Chevron's assessment of their own fee is accurate and fair.

There are currently four issues related to changing the revenue coming from Chevron: 1) a lawsuit initiated by the Chevron Corporation against Contra Costa County to reduce the company's property tax payments, which would reduce Richmond's revenue; 2) a November 2008 ballot initiative (Measure T: A Fair Share for Richmond) to increase the city's business license fees on the largest manufacturers in the city; 3) a benefits agreement offered by Chevron to the City of Richmond in exchange for permitting the refinery to implement its planned expansion; and 4) Richmond city staff, at the direction of the city council, are currently conducting a confidential audit of Chevron's utility use and UUT payments.

For voters, tax payers, and elected officials in both Richmond and Contra Costa County to constructively engage in these questions of how much and what kind of contributions the company should be making to the city and to the county, they must have credible, accurate, timely information on Chevron's current contributions. Without credible and accurate information, Richmond and Contra Costa County residents stand on a crumbling foundation for making effective public policy decisions.

What can be done?

Increase Transparency and Reporting

The costs and benefits of industries cannot be fully assessed without public access to accurate and timely information. When communities have to rely on information that is self-reported by a company, suspicion and mistrust are inevitable. Regular and reliable access for City of Richmond staff to record Chevron's utility use along with the public reporting of this information by the city would help give the community a transparent look at Chevron's contributions to public revenue.

²⁸ The West County Indicators project initially attempted to research information about another benefit of the Chevron refinery, the number of jobs at the refinery that are held by local residents. However, this information is unavailable.

Resident-driven Ballot Initiatives

Concerned citizens gathered 5,300 signatures of Richmond registered voters in support of a November 2008 ballot initiative, Measure T or “A Fair Share for Richmond.” The measure would change the city’s business license fee structure requiring large manufacturers to pay a rate based on the volume of raw materials they process. If passed, the measure is expected to increase revenue from the business license fee on large manufacturers by \$26 million annually.²⁹ This all-volunteer, grassroots effort is endorsed by numerous community organizations and individuals. For more information, contact the Richmond Progressive Alliance, listed below.

Other Solutions

Other community solutions to consider in order to address the lack of local public revenue include impact mitigation fees paid by developers and conducting fiscal impact studies of new policies and projects. One useful source for information on how these tools have been used by Bay Area communities is the recently released report “Building a Better Bay Area: Community Benefit Tools and Case Studies to Achieve Responsible Development” by the East Bay Alliance for a Sustainable Economy (at www.workingeastbay.org).³⁰ Additional ideas may arise from community leaders working to improve the wide range of issues that depend on solid city revenue.

Community Resources for Information and Change

Richmond Progressive Alliance

The Richmond Progressive Alliance is an alliance of Progressive Democrats, Greens, and Independents coming together in progressive unity for a better Richmond. Meetings are held every month and are open to the public. For information on the next meeting’s time and location, visit www.richmondprogressivealliance.net or contact info@richmondprogressivealliance.net. 510.595.4661

Get to Know Your City’s Financial Records

One of the main sources for information on your city’s financial situation is the City Annual Financial Report (CAFR). The CAFR reports how much revenue is coming from each different type of tax and how much revenue is being spent by all the different departments. The CAFR can be found on the City of Richmond website: www.ci.richmond.ca.us.

Attend City Council Meetings

The Richmond City Council meets the first and third Tuesday of every month at 7:00 pm at City Hall, 1401 Marina Way South. The meetings are open to the public and often include a time for public comment. The budget is negotiated every year in May-June, with a mid-year budget review in February. You can also watch video recordings of City Council and other city government meetings by going to the website: http://richmond.granicus.com/ViewPublisher.php?view_id=10.

²⁹ City of Richmond City Attorney. City Attorney’s Office Impartial Analysis. Retrieved October 7, 2008 from <http://www.ci.richmond.ca.us/index.asp?NID=1350>.

³⁰ East Bay Alliance for a Sustainable Economy. Building a Better Bay Area: Community Benefit Tools and Case Studies to Achieve Responsible Development. Retrieved October 7, 2008 from <http://www.workingeastbay.org/article.php?id=620>.

Research Methodology

This research began by identifying what taxes and fees apply to businesses located in Richmond and generate revenue for the city. The Comprehensive Annual Financial Report (CAFR) for the City of Richmond was the primary document used for understanding the different types and amounts of sources of city revenue. The CAFR is produced and released after June 30th each year by the City of Richmond Finance Department. The CAFR includes information on the income to the general fund and overall city budget generated by the various taxes, fees, investments, grants, and other sources. It also reports the basic spending attributed to each city department. The last few pages of the CAFR give facts on the top employers in the city, the number of city employees by department, and other useful information.

The second phase of the research was to identify all types of taxes and fees that Chevron is required to pay that generate revenue at the city level. Much of this public data was obtained by meeting with the Richmond Finance Department. The Finance Department is legally permitted to share with the public information concerning property tax payments; Charges for Services (which includes sewer and storm drain fees); the category of fees titled Other Taxes (which includes the business license fee); and some other types of taxes and fees the city collects. The City is not permitted to release information about sales tax payments by individual businesses, nor Utility Users Tax (UUT) fees paid by Chevron. The Finance Department did confirm that the sales tax that applies to Chevron is limited to their retail gasoline sales.

Calculating Chevron's UUT payments was conducted using data from a publicly available figure that was released by the company to the *Contra Costa Times*. The figure reported the lost revenue in the month following the change in how Chevron's UUT charges would be calculated. The Indicators Project estimated a figure for annual loss, limited by the assumption that the first month was a predictor of average monthly loss.

The analysis of Chevron's business license fee uses the formula the municipal code requires all Richmond businesses to use to calculate their license fee. The business license fee is \$234.10 plus \$46.80 per employee for the first 25 employees and \$40.10 per employee in excess of 25 employees.³¹ The number of Chevron employees was taken from the 2007 CAFR "Principal Employers" appendix on page 160.

³¹ City of Richmond Business Tax Code 7.04.030. Available online at, <http://bpc.iserver.net/codes/richmond/index.htm>.