

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST
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To: Supervisor Campos
From: Budget and Legislative Analyst
Date: July 30, 2012
Re: Proposed Gross Receipts Tax



SUMMARY OF REQUESTED ACTION

Your office requested that the Budget and Legislative Analyst provide (1) a description of the modified legislation to be submitted to the voters to implement a gross receipts tax to replace the current payroll tax; (2) an analysis of the revenue impact of the gross receipts tax compared to the current payroll tax; (3) an analysis of the proposed gross receipts tax by type of business; and (4) an analysis of the impact of the gross receipts tax and business registration fee on small businesses. This report addresses the specific questions your office put forward in that request.

EXECUTIVE SUMMARY

The City currently requires all businesses in San Francisco to pay business taxes, including (1) annual business registration fees, and (2) payroll taxes of 1.5% on all payroll in San Francisco exceeding \$250,000 annually. Sole proprietors, partnerships without employees, and businesses with payroll of \$250,000 annually or less are exempt from the payroll tax.

The proposed motion (Item 46, File 12-0681 on the Board of Supervisors agenda for July 31, 2012) would order the submission to the voters in the November 2012 election of an ordinance, amending the Business and Tax Regulations Code, to phase out the payroll tax and implement a gross receipts tax. Under the proposed ordinance, businesses would pay annual business registration fees and taxes based on gross receipts rather than payroll. Businesses with gross receipts of \$1,000,000 or less would be exempt from the gross receipts tax.

In order to ensure that total business tax revenues under the ordinance, including business registration fees and gross receipts tax revenues, remain the same as revenues that would have been generated if only the 1.5% payroll tax were in effect, businesses would pay both the gross receipts tax, at a progressively increasing rate, and the payroll tax, at a progressively reduced rate, during the five-year phase-in period from Calendar Year (CY) 2014 through CY 2018. The Controller would determine the payroll tax rate each year, which would be reduced annually from the existing 1.5% tax rate. The gross receipts tax rates would be increased each year, up to the maximum rates included in the proposed ordinance.

If annual revenues generated by the gross receipts tax in CY 2018 are less than designated by the ordinance, the payroll tax will not be fully phased-out. Both the gross receipts tax and the payroll tax would remain in effect in CY 2019 and subsequent years at the rates established in CY 2018. Conversely, if annual revenues generated by the gross receipts tax are sufficient to fully retire the payroll tax before 2018, the payroll tax would fully phase-out before CY 2018, and the gross receipts tax would be less than the maximum rate set in the ordinance.

The proposed annual business registration fee significantly increases fee revenues compared to the current business registration fee, and increases the annual business registration fee for small businesses

Currently, businesses pay an annual business registration fee ranging from a minimum of \$25 to a maximum of \$500, based on the amount of their annual payroll, as shown in Table 1 below. Beginning in FY 2015-16, the minimum annual business registration fee would increase by \$65, from \$25 to \$90, an increase of 260% for all businesses except retail and wholesale businesses, for which the minimum annual business registration fee would increase by \$50 from \$25 to \$75, an increase of 200%.

Small businesses with an annual payroll of \$250,000 or less pay an annual business registration fee of \$63.54 on average under the current business registration fee. If the ordinance is approved by the San Francisco electorate, all businesses with annual gross receipts of \$1,000,000 or less would pay an estimated annual business registration fee of \$145.76 on average, an increase of \$82.22 or 129.4%.

Business registration fee revenues would make up a larger share of the total business tax revenues, including both the annual business registration fees and annual gross receipts taxes, under the proposed ordinance. Annual business registration fee revenues will increase by \$28,461,603, from \$8,716,000 in FY 2012-13 to \$37,177,603 in FY 2015-16, based on the Controller's estimates.

A larger number of businesses would pay the gross receipts tax compared to the payroll tax

As a result of the existing exemption from paying the payroll tax by businesses having an annual payroll of \$250,000 or less, currently approximately 8.4% of registered businesses, or 8,196 of 97,318 registered businesses in FY 2011-12, pay the payroll tax. Under the proposed ordinance, approximately 16.4% of registered businesses, or 15,553 of 94,559 businesses, would pay the gross receipts tax, based on the Controller's estimate. Therefore, an estimated 7,357, or 89.8%, more small businesses, which presently are not paying the payroll tax, would have to pay the gross receipts tax under the proposed ordinance.

The City does not currently collect detailed gross receipts information from registered businesses, and therefore, estimates of revenues from gross receipts taxes are subject to error

The Controller projects that, based on U.S. Census Bureau and U.S. Bureau of Labor Statistics data, the gross receipts tax revenues should fully replace payroll tax revenues after the end of the five-year phase-in period in CY 2018. However, according to the Controller's Office, these estimates of gross receipts tax revenues "inherently involve some error".

Some businesses will pay higher taxes under the proposed gross receipts tax while other businesses will pay lower taxes

The current annual business registration fee is \$25, \$150, \$250, or \$500, depending on the amount of the business' annual payroll. The proposed annual business registration fee ranges from \$75 to \$35,000, based on the type of business and amount of gross receipts.

The current payroll tax is a flat rate of 1.5% of payroll for all businesses having an annual payroll exceeding \$250,000. The proposed gross receipts tax contains seven different tax rate schedules by type of business or industry for all businesses having annual gross receipts exceeding \$1,000,000.

The impact of the proposed gross receipts tax varies by the type and size of business. As noted above, smaller businesses with annual gross receipts of \$1,000,000 or less will pay higher annual business registration fees under the proposed gross receipts tax than smaller businesses having an annual payroll of \$250,000 or less currently pay under the payroll tax. The amount of the proposed annual business registration fees and annual gross receipts taxes, compared to existing annual business registration fees and annual payroll taxes, to be paid by businesses with gross receipts exceeding \$1,000,000 varies significantly by amount of gross receipts and type of business.

LEGISLATION TO IMPLEMENT THE GROSS RECEIPTS TAX

The City currently requires all businesses in San Francisco to pay business taxes, including (1) annual business registration fees, and (2) payroll taxes of 1.5% on all payroll in San Francisco exceeding \$250,000. Sole proprietors, partnerships without employees, and businesses with payroll of \$250,000 or less are exempt from the payroll tax.

Prior to 2001, businesses paid either a payroll tax or a gross receipts tax, based on whichever amount was greater. In response to lawsuits filed by several businesses, the City revised the business tax, retroactive to January 2000, to require only the payroll tax.

The proposed motion would submit to the voters in the November 2012 election an ordinance to phase out the payroll tax and implement a gross receipts tax. According to the proposed ordinance:

- Businesses in San Francisco would pay an annual business registration fee, and a gross receipts tax as well as a payroll tax at a reduced rate through 2018. The rates of the combined taxes are set by formula to generate annual revenues equal to revenues that would have been generated if only the 1.5% payroll tax were in effect.
- The payroll tax would be phased out and the gross receipts tax would be phased in over a five-year period from Calendar Year (CY) 2014 through CY 2018. The proposed ordinance contains a formula by which the Controller would determine the payroll tax rate each year. The payroll tax rate would be reduced annually from the existing 1.5% tax rate, with the expectation that the payroll tax would be completely phased-out in CY 2018. The gross receipts tax rates would be increased each year according to a fixed schedule specified in the legislation, up to maximum rates included in the proposed ordinance.
- If annual revenues generated by the gross receipts tax and business registration fees in CY 2018 are less than the designated revenue gain plus the City's administrative costs in 2018, the payroll tax will not be fully phased-out. Both the gross receipts tax and the payroll tax would remain in effect in CY 2019 and subsequent years at the rates established in CY 2018. Conversely, if annual revenues generated by the gross receipts tax are sufficient to fully retire the payroll tax before 2018, the payroll tax would fully phase-out before CY 2018, and the gross receipts tax would be less than the maximum rate set in the ordinance.
- Small businesses with annual gross receipts of \$1,000,000 or less would be exempted from the gross receipts tax.
- Businesses with annual gross receipts of more than \$1,000,000 would pay a percentage tax on their gross receipts, depending on the type of business and volume of receipts, as discussed further below.
- Businesses that may currently exclude some payroll expense from the payroll tax, such as some biotechnology businesses, would be entitled to deduct the full value of that exclusion from their combined business taxes until the sunset date of the exclusion.

- Businesses that are the administrative offices of larger entities would pay a payroll tax of 1.4% rather than the gross receipts tax.

Business Tax Registration Fee

The proposed business registration fee significantly increases fee revenues compared to the current business registration fee, and increases the annual fee for small businesses

Currently, businesses pay an annual business registration fee ranging from \$25 to \$500, based on the amount of their annual payroll, as shown in the table below.

**Table 1
Current Business Registration Fee**

Payroll	Fee
\$0 to \$67	\$25
\$67 to \$666,666	\$150
\$666,667 to \$3,333,333	\$250
>\$3,333,333	\$500

Source: Business and Tax Regulations Code

Businesses with no employees and small businesses with payroll less than \$250,000 made up an estimated 91.6% of all registered businesses in San Francisco in FY 2011-12, and paid an estimated 73.9% of business registration fees, as shown in the table below.

**Table 2
FY 2011-12 Business Registration Fees and Estimated Revenues¹**

Payroll	Annual Fee	Number of Businesses	Percent of Total	Estimated Fee Revenues	Percent of Total
\$0 to \$67	\$25	61,647	63.3%	\$1,541,175	20.1%
\$68 to \$250,000	\$150	27,475	28.2%	4,121,250	53.8%
Subtotal		89,122	91.6%	5,662,425	73.9%
\$250,001 to \$666,666	\$150	3,533	3.6%	529,950	6.9%
\$666,667 to \$3,333,333	\$250	3,455	3.6%	863,750	11.3%
> \$3,333,333	\$500	1,208	1.2%	604,000	7.9%
Subtotal		8,196	8.4%	1,997,700	26.1%
Total		97,318	100.0%	\$7,660,125	100.0%

Source: Treasurer/Tax Collector's Office

The proposed ordinance restructures the business registration fee to calculate the fee based on gross receipts rather than payroll. The current business registration fee would remain in effect in FY 2012-13, and a revised interim business registration fee based on gross receipts would be implemented for one-year in FY 2013-14. Beginning in FY 2014-15, the minimum business

¹ Actual business registration fee revenues in FY 2011-12 differ from the amount in Table 2, which does not include prorated fees for businesses that registered for part of the year and late payment penalties.

registration fee would increase to \$90 for all businesses except retail and wholesale businesses, for which the minimum business registration fee would be \$75, as shown in the table below.

Table 3
Proposed Business Registration Fee
Beginning in FY 2014-15

Gross Receipts	Retail, Wholesale & Certain Services Fee	Other Businesses Fee
\$0 to \$100,000	\$75	\$90
\$100,001 to \$250,000	\$125	\$150
\$250,001 to \$500,000	\$200	\$250
\$500,001 to \$750,000	\$400	\$500
\$750,001 to \$1,000,000	\$600	\$700
\$1,000,001 to \$2,500,000	\$200	\$300
\$2,500,001 to \$7,500,000	\$400	\$500
\$7,500,001 to \$15,000,000	\$1,125	\$1,500
\$15,000,001 to \$25,000,000	\$3,750	\$5,000
\$25,000,001 to \$50,000,000	\$7,500	\$12,500
\$50,000,001 to \$100,000,000	\$15,000	\$22,500
\$100,000,001 to \$200,000,000	\$20,000	\$30,000
>\$200,000,000	\$30,000	\$35,000

Source: Proposed Ordinance

Under the proposed ordinance, small businesses are defined as businesses with annual gross receipts of \$1,000,000 or less. Under the current business registration fee, in which small businesses are defined as businesses with annual payroll of \$250,000 or less, small businesses pay an annual business registration fee of \$25 or \$150 based on the size of their payroll. Under the proposed ordinance, small businesses pay an annual business registration fee, ranging from \$75 to \$600 for retail and wholesale businesses, and from \$90 to \$700 for other businesses.

According to the Controller's estimates, 83.6% of businesses will have annual gross receipts of \$1,000,000 or less, as shown in the table below.

Table 4
Estimated Number of Businesses by Registration Fee Amount
Beginning in FY 2015-16

Gross Receipts	Number of Businesses			Percent of Total Businesses
	Retail, Wholesale & Certain Services	Other Businesses	Total	
\$0 to \$100,000	9,831	51,270	61,101	64.6%
\$100,001 to \$250,000	773	4,099	4,872	5.2%
\$250,001 to \$500,000	1,071	5,132	6,203	6.6%
\$500,001 to \$750,000	760	2,694	3,454	3.7%
\$750,001 to \$1,000,000	812	2,605	3,416	3.6%
Subtotal	13,246	65,800	79,046	83.6%
\$1,000,001 to \$2,500,000	2,036	5,086	7,122	7.5%
\$2,500,001 to \$7,500,000	1,769	3,571	5,340	5.6%
\$7,500,001 to \$15,000,000	522	937	1,459	1.5%
\$15,000,001 to \$25,000,000	260	424	684	0.7%
\$25,000,001 to \$50,000,000	140	359	499	0.5%
\$50,000,001 to \$100,000,000	95	200	295	0.3%
\$100,000,001 to \$200,000,000	25	67	92	0.1%
>\$200,000,000	10	54	64	0.1%
Subtotal	4,856	10,697	15,553	16.4%
Total Businesses	18,102	76,497	94,599	100.0%

Source: Controller

As shown in the table below, businesses with annual payroll of \$250,000 or less pay an annual business registration fee of \$63.54 on average under the current business registration fee. Businesses with annual gross receipts of \$1,000,000 or less would pay an estimated annual business registration fee of \$145.76 on average under the proposed business registration fee, an increase of \$82.22 or 129.4%.

Table 5
Average Annual Business Registration Fee Paid by Small Businesses
Under the Current and Proposed Fees

	Payroll \$250,000 or Less	Gross Receipts \$1,000,000 or Less	Increase/ (Decrease)	Percent
Fee (Weighted Average)	\$63.54	\$145.76	\$82.22	129.4%

Source: Budget and Legislative Analyst estimates

Under the proposed ordinance, annual business registration fee revenues will increase by \$28,461,603, from \$8,716,000 in FY 2012-13 to \$37,177,603 in FY 2015-16, based on the

Controller's estimates and shown in the table below. The share of business registration fee revenues paid by small businesses will decrease from 77.2%, as shown in Table 2 above, to 31.0%, as shown in the table below.

Table 6
Estimated Revenues by Registration Fee Amount
Beginning in FY 2015-16

Business Registration	Total Revenues			Percent of Total Revenues
	Retail, Wholesale & Certain Services	Other Businesses	Total	
\$0 to \$100,000	\$737,312	\$4,614,315	\$5,351,627	14.4%
\$100,001 to \$250,000	96,668	614,838	711,506	1.9%
\$250,001 to \$500,000	214,127	1,282,998	1,497,125	4.0%
\$500,001 to \$750,000	303,887	1,346,933	1,650,820	4.4%
\$750,001 to \$1,000,000	486,922	1,823,442	2,310,364	6.2%
Subtotal	1,838,916	9,682,526	11,521,442	31.0%
\$1,000,001 to \$2,500,000	407,183	1,525,702	1,932,885	5.2%
\$2,500,001 to \$7,500,000	707,528	1,785,551	2,493,079	6.7%
\$7,500,001 to \$15,000,000	586,991	1,405,122	1,992,113	5.4%
\$15,000,001 to \$25,000,000	975,909	2,120,324	3,096,233	8.3%
\$25,000,001 to \$50,000,000	1,048,769	4,486,052	5,534,821	14.9%
\$50,000,001 to \$100,000,000	1,426,346	4,490,320	5,916,666	15.9%
\$100,000,001 to \$200,000,000	498,590	1,997,805	2,496,395	6.7%
>\$200,000,000	292,085	1,901,884	2,193,969	5.9%
Subtotal	5,943,401	19,712,760	25,656,161	69.0%
Total Businesses	\$7,782,317	\$29,395,286	\$37,177,603	100.0%

Source: Controller

Gross Receipts Tax

A larger number of businesses would pay the gross receipts tax compared to the payroll tax

Currently, approximately 8.4% of registered businesses pay the payroll tax, while the percent of businesses that would pay the gross receipts tax is estimated by the Controller to increase to approximately 16.4%, as shown in the table below.

Table 7
Percent of Businesses Paying Gross Receipts Tax Compared to Payroll Tax

	Payroll Tax		Gross Receipts Tax	
	Number of Businesses	Percent of Total	Number of Businesses	Percent of Total
Small Businesses with Payroll < \$250,001 or Gross Receipts < \$1,000,000	89,122	91.6%	79,045	83.6%
Other Businesses	8,196	8.4%	15,553	16.4%
Total Businesses	97,318	100.0%	94,599	100.0%

Source: Controller and Treasurer/Tax Collector

Currently, businesses pay the same payroll tax rate of 1.5% for all payroll expenditures. Under the proposed gross receipts tax, the tax rate varies by type of business and amount of gross receipts, as shown in the table below.

**Table 8
 Proposed Gross Receipts Tax Rates**

	Amount of Gross Receipts			
	\$0 to \$1,000,000	\$1,000,001 to \$2,500,000	\$2,500,001 to \$25,000,000	>\$25,000,00
Retail, Wholesale, Services	0.075%	0.100%	0.135%	0.160%
Manufacturing, Transport, Warehousing, IT, Biotechnology, Clean Technology, Food Services	0.125%	0.205%	0.370%	0.475%
Real Estate, Rental & Leasing Services ¹	0.285%	0.285%	0.300%	0.300%
Accommodations, Utilities, Arts, Entertainment, Recreation	0.300%	0.325%	0.325%	0.400%
Construction	0.300%	0.350%	0.400%	0.450%
Financial Services, Insurance, Professional, Scientific & Technical Services	0.400%	0.460%	0.510%	0.560%
Private Education and Health Services, Administrative and Support Services, Miscellaneous Business Activities	0.525%	0.550%	0.600%	0.650%

Source: Proposed Ordinance

¹ The tax rate for Real Estate, Rental and Leasing services increases to 0.325% for gross receipts exceeding \$25 million in 2021.

The City does not currently collect detailed gross receipts information from registered businesses, and therefore, estimates of revenues from gross receipts taxes are subject to error

The Controller projects that, based on U.S. Census Bureau and U.S. Bureau of Labor Statistics data, the gross receipts tax revenues should fully replace payroll tax revenues after the end of the five-year phase-in period in CY 2018. However, according to the Controller’s Office, these estimates of gross receipts tax revenues “inherently involve some error”.

Under the proposed ordinance, during the five-year phase-in period from CY 2014 through CY 2018, businesses will pay both a payroll tax, at a progressively reduced rate, and the gross receipts tax, at a progressively increasing rate. Beginning in 2014, the payroll tax will decrease and the gross receipts tax will increase. Beginning in 2015, a Controller’s calculation will set the payroll tax rate to adjust for any variance in the previous year between gross receipts tax collections and foregone payroll tax revenue, to ensure that combined business tax revenues will equal what the City would have otherwise received from the 1.5% payroll tax.

The ordinance requires the Treasurer, Controller, and Chief Economist to jointly prepare an annual report to the Mayor and Board of Supervisors on the implementation of the gross receipts tax, beginning in 2015 and extending for five years. This report includes (1) projections of gross receipts tax revenue collection, (2) comparison of actual gross receipts tax revenues to projected revenues, and (3) an assessment of the impact of the gross receipts tax on businesses.

The share of business taxes paid by each type of business (by industry category) would remain approximately the same under the proposed gross receipts tax as under the existing payroll tax

The percentage share of payroll and gross receipt taxes paid by businesses by industry type, as estimated by the Controller, are shown in Table 9 below

**Table 9
 Percent of Businesses by Industry Category
 Paying Gross Receipts Tax Compared to Payroll Tax**

	FY 2010-11 Payroll Tax Revenues	Estimated Gross Receipts Tax Revenues
<u>Industry</u>		
Professional, Technical, Scientific	31%	31%
Finance, Insurance, Real Estate	23%	28%
Trade and Transportation	13%	15%
Information	8%	6%
Construction and Manufacturing	7%	6%
Administrative and Support Services	6%	4%
Hospitality	6%	4%
Education and Health	3%	3%
Other Services	2%	2%
Arts and Recreation	1%	1%
Total	100%	100%

Source: Controller's Office of Economic Analysis July 18, 2012 Economic Impact Report

Some businesses will pay higher taxes under the proposed gross receipts tax while other businesses will pay lower taxes

The proposed new business registration fees and gross receipts tax change the current business registration fees and payroll tax by (1) calculating fees and taxes based on gross receipts rather than payroll, and (2) implementing a graduated rate structure.

The current business registration fee is \$25, \$150, \$250, or \$500, based on the amount of payroll. The proposed business registration fee ranges from \$75 to \$35,000, based on the type of business and amount of gross receipts.

The current payroll tax is a flat rate of 1.5% of payroll for all businesses with payroll greater than \$250,000. The proposed gross receipts tax varies by the type of business and amount of gross receipts for all businesses with gross receipts greater than \$1,000,000, as shown in Table 8 above.

Businesses with gross receipts of \$1,000,000 or less will generally pay higher business registration fees under the proposed gross receipts tax than businesses with payroll of \$250,000 or less currently pay under the payroll tax, as shown in Table 5 above.

The impact of the proposed gross receipts tax on businesses with gross receipts greater than \$1,000,000 varies by type of business and amount of gross receipts, as shown in Table 10 below.

Table 10
Sample Businesses' Registration Fee and Tax Payments under Proposed Gross Receipts Tax
Compared to Registration Fees and Tax Payments under Existing Payroll Tax

Business Category	Type of Business	Average Annual Gross Receipts	Average Annual Payroll	Payroll as a Percent of Gross Receipts	Proposed Gross Receipts Tax			Existing Payroll Tax			Increase/ (Decrease)	Percent
					Fee	Tax	Total	Fee	Tax	Total		
Accommodation, Utilities, and Arts, Entertainment and Recreation	Fitness Center	\$1,555,566	\$457,919	29.4%	\$300	\$4,806	\$5,106	\$150	\$6,869	\$7,019	(\$1,913)	(27.3%)
	Hotel	\$10,000,000	\$2,960,000	29.6%	\$1,500	\$32,250	\$33,750	\$250	\$44,400	\$44,650	(\$10,900)	(24.4%)
Financial Services, Insurance, and Professional, Scientific and Technical Services	Law Offices	\$4,225,500	\$1,605,222	38.0%	\$500	\$19,700	\$20,200	\$250	\$24,078	\$24,328	(\$4,128)	(17.0%)
	Large Engineering Firm	\$22,930,027	\$3,933,841	17.2%	\$5,000	\$115,093	\$120,093	\$500	\$59,008	\$59,508	\$60,586	101.8%
Manufacturing, Transportation and Warehousing, Information, Biotechnology, Clean Technology, and Food Services	Full Service Restaurant	\$1,045,530	\$342,914	32.8%	\$300	\$1,343	\$1,643	\$150	\$5,144	\$5,294	(\$3,650)	(69.0%)
	Newspaper Publisher	\$10,404,800	\$3,167,725	30.4%	\$1,500	\$33,573	\$35,073	\$250	\$47,516	\$47,766	(\$12,693)	(26.6%)

Table 10 (continued)
Sample Businesses' Registration Fee and Tax Payments under Proposed Gross Receipts Tax
Compared to Registration Fees and Tax Payments under Existing Payroll Tax

Business Category	Type of Business	Average Annual Gross Receipts	Average Annual Payroll	Payroll as a Percent of Gross Receipts	Proposed Gross Receipts Tax			Existing Payroll Tax			Increase/ (Decrease)	Percent
					Fee	Tax	Total	Fee	Tax	Total		
Private Education and Health Services, Administrative and Support Services, and Miscellaneous Business Activities	Medical Office	\$1,568,868	\$690,862	44.0%	\$300	\$8,379	\$8,679	\$250	\$10,363	\$10,613	(\$1,934)	(18.2%)
	Large Diagnostic and Medical Group Practice	\$10,000,000	\$4,403,570	44.0%	\$1,500	\$58,500	\$60,000	\$500	\$66,054	\$66,554	(\$6,554)	(9.8%)
Real Estate and Rental and Leasing Services	Professional and Office Real Estate Leasing	\$2,961,388	\$399,317	13.5%	\$500	\$8,509	\$9,009	\$150	\$5,990	\$6,140	\$2,869	46.7%
	Industrial Real Estate Leasing	\$24,063,588	\$6,966,941	29.0%	\$5,000	\$71,816	\$76,816	\$500	\$104,504	\$105,004	(\$28,188)	(26.8%)
Retail Trade, Wholesale Trade, and Certain Services	Supermarket	\$4,495,653	\$521,496	11.6%	\$400	\$4,944	\$5,344	\$150	\$7,822	\$7,972	(\$2,628)	(33.0%)
	Large Drug Store	\$10,000,000	\$1,310,000	13.1%	\$1,125	\$12,375	\$13,500	\$250	\$19,650	\$19,900	(\$6,400)	(32.2%)

Source: Budget and Legislative Analyst's estimates, based on U.S. Census Bureau 2007 Economic Census data