

Business costs in Los Angeles increase

Business costs in Los Angeles, the second largest U.S. metropolitan, rose to become the 16th-most-expensive major U.S. region, up from 17th last year, said a survey.

The rise was mainly due to expensive property, labor and utilities and high taxes related to them, said the survey released on Monday.

Despite the city's tax overhaul launched on January 1 to improve the city's business climate, businesses' overall tax burden still remain high compared with other places, said the annual Kosmont-Rose Institute Cost of Doing Business Survey.

The tax overhaul, which are being phased in over five years, will exempt more than 130,000 businesses with sales of less than 100,000 dollars from the tax on gross receipts and will eventually cut taxes by as much as 15 percent for larger operators.

The tax overhaul, long sought by the city's business community, was the first significant change in decades and is expected to ultimately cut levies by more than \$90 million a year.

But even when fully implemented, Los Angeles' business tax cuts "will do little to improve the city's overall cost rating," the survey found.

Philadelphia ranked as the most expensive, followed by Cincinnati and New York. San Francisco came in at No. 8. The least expensive major U.S. city was Las Vegas.

Source: Xinhua

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