

# TITLE 4 BUSINESS TAX

## Chapters:

- 4.02 [DEFINITIONS](#)
- 4.04 [BUSINESS TAX COLLECTOR](#)
- 4.06 [ADMINISTRATIVE PROVISIONS](#)
- 4.08 [APPORTIONMENT OF TAX](#)
- 4.10 [PAYMENT OF TAX AND ISSUANCE OF TAX CERTIFICATE](#)
- 4.12 [ENFORCEMENT](#)
- 4.14 [EXEMPTIONS](#)
- 4.16 [BUSINESS TAX CATEGORIES](#)
- 4.18 [BUSINESS TAX RATES](#)



# TITLE 4

## BUSINESS TAX

### Chapter 4.02

#### DEFINITIONS

##### Sections:

- 4.02.010 General.
- 4.02.020 Ambulance.
- 4.02.030 Annualization.
- 4.02.040 Applicant.
- 4.02.050 Arts and crafts fair.
- 4.02.053 Arts and crafts fair organizer.
- 4.02.055 Arts and crafts fair vendor.
- 4.02.057 Branch or management office.
- 4.02.060 Builder-owner.
- 4.02.070 Building and loan.
- 4.02.080 Business.
- 4.02.090 Business tax.
- 4.02.100 Business tax certificate.
- 4.02.110 Catering truck.
- 4.02.120 Certificate holder.
- 4.02.130 Coin-operated machine.
- 4.02.140 Collector.
- 4.02.150 Commission agent, broker or merchant.
- 4.02.160 Conduct.
- 4.02.170 Contractor.
- 4.02.180 Cost of doing business.
- 4.02.190 Day.
- 4.02.200 Disabled veteran.
- 4.02.210 Employed.
- 4.02.213 Employees, determination of number.
- 4.02.220 Engaged in business.
- 4.02.230 Fixed place of business.
- 4.02.240 Flat or fixed rate tax.
- 4.02.245 Game machine.
- 4.02.250 Garage sale.
- 4.02.260 General contractor.
- 4.02.265 Grocery store.
- 4.02.270 Gross receipts.
- 4.02.280 Handicrafter.
- 4.02.290 Handy person.
- 4.02.300 Hotel-motel-rooming house.
- 4.02.303 Import-export.
- 4.02.310 Insurance agent.
- 4.02.320 Insurance broker.
- 4.02.330 Isolated transaction.
- 4.02.340 Itinerant merchant.
- 4.02.350 Manufacture or process.

- 4.02.360 Manufacturer.
- 4.02.370 Nonprofit tax-exempt organization.
- 4.02.380 Owner.
- 4.02.390 Peddler.
- 4.02.400 Permit.
- 4.02.410 Person.
- 4.02.420 Premises.
- 4.02.440 Professional corporation.
- 4.02.450 Pushcart.
- 4.02.460 Real estate agent.
- 4.02.470 Real estate broker.
- 4.02.480 Real estate developer.
- 4.02.490 Rental of residential real estate.
- 4.02.500 Retail sale.
- 4.02.510 Retailer.
- 4.02.511 Retirement home, convalescent home, skilled nursing facility, residential or community care facility.
- 4.02.520 Revocation.
- 4.02.530 Sale.
- 4.02.540 Services.
- 4.02.550 Solicitor.
- 4.02.560 Stock broker.
- 4.02.570 Subcontractor.
- 4.02.580 Tax.
- 4.02.590 Taxicab.
- 4.02.600 Transact and carry on.
- 4.02.610 Utility and public utility.
- 4.02.620 Vehicle.
- 4.02.630 Vending machine operations.
- 4.02.640 Vendor.
- 4.02.650 Wholesale sale.
- 4.02.660 Wholesaler.
- 4.02.670 Yard sale.

**4.02.010 General.**

For the purpose of this title, unless the context clearly requires otherwise, the words, and phrases defined in this chapter shall have the meanings set forth in this chapter. (94-3 (part))

**4.02.020 Ambulance.**

"Ambulance" means any vehicle specifically equipped or previously used to transport the sick, wounded, handicapped, injured or deceased. (94-3 (part))

**4.02.030 Annualization.**

"Annualization" means an estimation, extended for a twelve-month period, based on reported gross receipts for a prior period of less than twelve months. (94-3 (part))

**4.02.040 Applicant.**

"Applicant" means any person who applies for a tax certificate or a certificate renewal under the provisions of this title. It shall also include a person who has not applied for a tax certificate but is deemed by the collector to be required by this title to have such a certificate. (94-3 (part))

**4.02.050 Arts and crafts fair.**

"Arts and crafts fair" means an event at which an arts and crafts fair organizer arranges for temporary individual spaces for retailers, including artists and handcrafters, to sell their products to the public. It may be a one-time event, or scheduled at regular or irregular intervals. (94-3 (part))

**4.02.053 Arts and crafts fair organizer.**

"Arts and crafts fair organizer" means a person who arranges an arts and crafts fair. Such person, if not otherwise exempt, is taxable as a renter of commercial space. (94-3 (part))

**4.02.055 Arts and crafts fair vendor.**

"Arts and crafts fair vendor" means a person who sells products or services, including but not limited to arts and crafts, at an arts and crafts fair. (94-3 (part))

**4.02.057 Branch or management office.**

"Branch or management office" means any office within the city for which separate sales or receipt records are not maintained, and the business which is essentially that of performing administrative functions in connection with sales or service performed or rendered elsewhere. (94-3 (part))

**4.02.060 Builder-owner.**

"Builder-owner" means any person employing subcontractors, specialty contractors, general engineering contractors, or workers under his or her supervision and direction by the hour or day, for the purpose of constructing improvements on real property owned by him or her within the city; such person shall be charged herein the same as a contractor unless his or her only building activity is constructing on his or her property a single-family dwelling unit or addition thereto which will be used in whole or in part for the purpose of his or her own occupancy for a period of not less than one year. Proof of the sale or offering for sale of any such structure by the builder-owner within one year after completion of same is presumptive evidence that such structure was undertaken for purpose of sale. Provided, however, that any person holding a state contractor's license pursuant to Sections 7056, 7057 and 7058 et seq. of the California Business and Professions Code, as the same now exists or as hereafter amended, shall be considered a contractor. (94-3 (part))

**4.02.070 Building and loan.**

"Building and loan" means any person who for a fee engages in the loan of money upon personal security, evidences of debt, automobile, or any personal property, or purchases automobile contracts, commercial paper, evidence of debt, assignments of salary, salary warranty, salary demands, time checks, or other evidences of salary due or to become due, or automobile paper. The term building and loan as used in this title includes savings and loans, but does not include pawnbrokers or the holder of a bond brokers license, or any person conducting a banking business under the laws of the state or any person subject to the state corporate income tax as a financial corporation. (94-3 (part))

**4.02.080 Business.**

"Business" means all enterprises, professions, trades and occupations and all and every kind of calling, full time or part time, whether or not carried on for profit, engaged in within the city, including lease or rental of residential or nonresidential real estate, whether or not engaged in as a principal or as an independent contractor, but shall not include the services rendered by an employee to an employer. (94-3 (part))

**4.02.090 Business tax.**

"Business tax" means the privilege tax paid as required by the provisions of this title. (94-3 (part))

**4.02.100 Business tax certificate.**

"Business tax certificate" or "tax certificate" means the certificate required to be posted or displayed as evidence of a business' payment of the tax required by the provisions of this title. (94-3 (part))

**4.02.110 Catering truck.**

"Catering truck" means a vehicle as that term is defined in the California Vehicle Code which is equipped or used for the sale of food or beverages, or both, whether on public or private property. (94-3 (part))

**4.02.120 Certificate holder.**

"Certificate holder" means any person who holds a valid, current tax certificate issued to that person under this title. (94-3 (part))

**4.02.130 Coin-operated machine.**

"Coin-operated machine or device" means any machine or device that dispenses a product, or provides a service, or utility or amusement; resulting from insertion or use of a coin, slug, token, plate, disc, plug, key, check or other device, or money, or thing of value. (94-3 (part))

**4.02.140 Collector.**

"Collector" means the financial services director, or if there is none, the city manager or his or her designate, charged with the administration and enforcement of this title. Whenever in this title reference is made to the collector, it shall include anyone designated by the collector to perform all or a portion of his or her duties. (94-3 (part))

**4.02.150 Commission agent, broker or merchant.**

"Commission agent, broker or merchant" means any person engaged in the business of buying and selling of goods, wares, or merchandise for the owner or consignee thereof for a fee of commission, whether or not the operation of such business customarily includes the actual possession, custody or control of goods, wares or merchandise to the extent that such person (1) does not engage in the business of manufacturing, refining, fabricating, milling, treating or other processing of the goods, wares or merchandise bought and sold, and does not cause said goods, wares or merchandise to be manufactured, refined, fabricated, milled, treated or otherwise processed; (2) does not obtain or retain title to said goods, wares or merchandise except during one or more of the following situations: while such goods, wares or merchandise are actually in transit, or for short periods of time before transportation commences or after it ceases; and (3) does not store or warehouse such goods, wares or merchandise except during one or more of the following: while such goods, wares or merchandise are actually in transit, or for short periods of time before transportation commences or after it ceases. (94-3 (part))

**4.02.160 Conduct.**

See "transact and carry on." (94-3 (part))

**4.02.170 Contractor.**

"Contractor" means any person who is licensed as a contractor by the state of California and who undertakes to or offers to undertake to or purports to have the capacity to undertake to or submits a bid to, or does himself or by others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith. The term contractor as used in this title includes general engineering contractor, general building contractor, specialty contractor and subcontractor except as otherwise specified herein. (94-3 (part))

**4.02.180 Cost of doing business.**

"Cost of doing business" means that amount which is equivalent to the volume of business performed, where the business of any local office, facility, agent, broker or employee is that of performing administrative or management-related services in connection with sales or services performed or rendered elsewhere. Said amount shall be computed by determining the total cost of maintaining said local office, facility, agent, broker or employee. Said total cost of maintaining said local office, facility, agent, broker or employee shall include, but is not limited to the wages, salaries, commissions, bonuses, rent, and/or depreciation, telephone, postage, utilities, janitorial and other expenses allocated for maintenance of said office, facility, agent, broker or employee. (94-3 (part))

**4.02.190 Day.**

"Day" means a calendar day. (94-3 (part))

**4.02.200 Disabled veteran.**

"Disabled veteran" means any honorably discharged member of the Armed Forces of the United States, who is physically unable to obtain his livelihood by means of manual labor and who is a qualified voter of the state. (BP Section 16001.) (94-3 (part))

**4.02.210 Employed.**

"Employed" means engaged in the operation or conduct of a business, or related activity, whether as a proprietor or otherwise. (94-3 (part))

**4.02.213 Employees, determination of number.**

In determining the number of employees for the purpose of fixing the tax due under Section 4.18.050 of this chapter, the employer shall take the number of employees earning wages during pay periods ending nearest the fifteenth of each month as shown by Form DE3 of the State Department of Employment or other form which may hereafter be adopted for reporting payments due under the Unemployment Insurance Act, for each month of the previous calendar year, adding the same, and dividing by twelve. If the employer has been in business less than one year, he may use the average number of employees as shown by such form for the last quarter; if the employer has not previously engaged in business, he may estimate the average number of employees who will be employed by him during the remainder of the calendar year. (94-3 (part))

**4.02.220 Engaged in business.**

"Engaged in business" means the transacting and carrying on, managing or operating of a business whether done as owner, or by means of an officer, agent, manager, employee or lessee. (94-3 (part))

**4.02.230 Fixed place of business.**

"Fixed place of business" means the place within the city at which the principal tools, equipment, or machinery used in a business are customarily stored or located, or where services are customarily performed, or at which are maintained the principal stock of materials or supplies and the books and records used in a business. (94-3 (part))

**4.02.240 Flat or fixed rate tax.**

"Flat or fixed rate tax" means a fixed amount assessed per business location, or alternately, a fixed amount or fixed scale of amounts whose sum is variable depending on the number or factors furnishing the basis for determination of the business tax. (94-3 (part))

**4.02.245 Game machine.**

"Game machine" means a coin-operated game such as pinball and video-electronic games. (94-3 (part))

**4.02.250 Garage sale.**

"Garage sale" means the sale, or offering for sale, of personal property in, at or upon any property used or occupied for residential purposes. Garage sales shall include, but not be limited to, any yard sale, home sale, patio sale, or any other sale similarly conducted on any property used or occupied for residential purposes. (94-3 (part))

**4.02.260 General contractor.**

"General contractor" means and shall include any general building contractor or general engineering contractor or any other person who is licensed pursuant to Sections 7056 and/or 7057 of the California Business and Professions Code as the same now exists or as hereafter amended. (94-3 (part))

**4.02.265 Grocery store.**

"Grocery store" means any business where the majority of gross receipts is from the sale of food items packaged by a manufacturer or distributor. (94-3 (part))

#### **4.02.270 Gross receipts.**

"Gross receipts" means and includes the total amount of the sale price of all sales and the total amount charged or received for the performance of any act or service of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise.

A. The following shall be included in "gross receipts": All receipts, cash, credits and property of any kind or nature without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever.

B. The following shall be excluded from "gross receipts":

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold;
3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit;
5. Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee has furnished the collector with the names and addresses of the others and the amounts paid to them, other than amounts received as commission of any character received for the performance of any service as agent, or trustee; provided, that any agent or trustee dealing in stocks or other similar written instruments evidencing a right to participate in the assets of any business, or dealing in bonds or other evidences of indebtedness, who also deals in such property as a principal, shall include in the gross receipts by which the tax is measured the amount of his trading profits resulting therefrom. No deduction from receipts attributable to trading as a principle shall be made unless such deduction is provided for in this section;
6. The difference between the balance owed and paid on a defaulted purchase or finance contract upon repossession by seller and the amount received from resale of the repossessed article by the repossessing seller;
7. Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded;
8. As to alcoholic beverages, that portion of the receipts of a manufacturer, transporter, retailer or wholesale distributor generated or otherwise collected from the manufacture, sale, possession or transportation of intoxicating liquors within the state pursuant to Article XX, Section 22 of the State Constitution;
9. As to a retail gasoline dealer, a portion of his receipts from the sale of motor vehicle fuels equal to the motor vehicle fuel license tax imposed by and previously paid under the provisions of Part 2 of Division 2 of the Revenue and Taxation Code of the state of California;
10. As to a retail gasoline dealer, the special motor fuel tax imposed by Section 4041 of Title 26 of the United States Code if paid by the dealer or collected by him from the purchaser;
11. Cash value of sales, trades, transfers or other transactions as made between separate departments, divisions or units of any single business entity;
12. Sales for convenience where sales of new goods, wares or merchandise are made by a person engaged in selling such articles to another person engaged in selling like or similar articles:
  - a. Where the primary purpose of the particular transaction of sale is to accommodate the purchaser rather than to make a sale in the ordinary course of business and the price paid is essentially the book value of the article,
  - b. Where, in the particular kind of business involved, a similar manner of dealing is frequent or customary in the circumstances under which the particular sale is made, and
  - c. Where goods, wares, or merchandise of like or similar kind and of substantially equivalent value to that which was sold is received in consideration;
13. The amount of gross receipts which has been subject to a license tax paid to any other city;

14. Any license tax or fee imposed by and previously paid under and/or all provisions of this chapter;
15. Franchise fee paid to the city by the cable company.
- C. As to contractors and other similar businesses, "gross receipts" shall not include that portion of the receipts of a contractor which represents payments to subcontractors, provided that such subcontractors are licensed under this title, and provided the contractor furnishes the collector with the names and addresses of the subcontractors and the amounts paid to them.
- D. As to real estate brokerage, travel agencies, insurance brokerages, bail bond brokerages, and other similar businesses, "gross receipts" shall include the total gross commissions or other receipts attributable to the local office, agents, brokers and/or employees.
- E. As to accountants, architects, attorneys, chiropractors, clinical social workers, doctors, dentists, marriage, family and child counselors, optometrists, physicians' assistants, podiatrists, psychologists, registered nurses, veterinarians and other similar licensed persons performing professional services, "gross receipts" shall include the total gross fees or other receipts attributable to the local office and/or employees, for services performed or otherwise rendered within the city. In the case of professional corporations, each shareholder or employee licensed to practice the profession in which the corporation is authorized to engage shall be included in the computation of the tax to be paid.
- F. As to other persons having a fixed place of business within the city and providing a service or plying a trade, or involved in similar businesses, "gross receipts" shall include the total fees, commissions or other receipts attributable to that local location and/or employees.
- G. As to a business established outside the city but maintaining an office within the city through an agent, broker or employee, "gross receipts" shall include the total sales or receipts attributable to the local office or facility, agent, broker or employee within the taxing jurisdiction.
- H. As to a business established outside the city but transacting and carrying on business within the city, or otherwise performing or rendering services negotiated, or contracted for within the city, whether or not by a principal or through an agent or employee, "gross receipts" shall include the total fees, commissions, or other receipts attributable to the business activity conducted within the taxing jurisdiction. (94-3 (part))

**4.02.280 Handicrafter.**

"Handicrafter" means any person who makes or creates any tangible product or novelty and then offers that item for sale. (94-3 (part))

**4.02.290 Handy person.**

"Handy person" means any person engaged within the city, as an independent contractor in any trade, art, calling, avocation or occupation of the building trades and not licensed as a contractor by the state. (94-3 (part))

**4.02.300 Hotel-motel-rooming house.**

"Hotel-motel-rooming house" means a building in which there are more than six guest rooms where lodging is provided for compensation. (94-3 (part))

**4.02.303 Import-export.**

"Import-export" means any broker or wholesaler which imports or exports merchandise, but conducts no retail operations in the city. (94-3 (part))

**4.02.310 Insurance agent.**

"Insurance agent" means any person, including bail bond agents directly authorized by and on behalf of an insurer, to transact insurance and to bind the insurer in the execution of insurance policies. (94-3 (part))

**4.02.320 Insurance broker.**

"Insurance broker" means any person, including bail bond brokers, who, for compensation and on behalf of another person, transact insurance other than life with, but not on behalf of, an insurer. (94-3 (part))

**4.02.330 Isolated transaction.**

"Isolated transaction" means an activity, which if carried on as a continuing business would be subject to license under Tax Categories I, II or III, but which a person conducts in the city for no more than three days at a time, not more than twice in a calendar year. (94-3 (part))

**4.02.340 Itinerant merchant.**

"Itinerant merchant" means any person who engages in a temporary or transient business in the city, selling or offering for sale goods, wares, merchandise, or things or articles of value, with the intention of conducting such business in the city for no more than three days at a time, not more than twice in a calendar year. (94-3 (part))

**4.02.350 Manufacture or process.**

"Manufacture or process" mean all the activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different or useful article of tangible personal property or substance of trade or commerce is produced and shall include the production or fabrication of specially made or custom-made articles. (94-3 (part))

**4.02.360 Manufacturer.**

"Manufacturer" means any person, who, directly or by contracting with others for the necessary labor or mechanical services, manufactures for sale or for commercial or industrial use from his or her own materials or ingredients any articles, substances or commodities. (94-3 (part))

**4.02.370 Nonprofit tax-exempt organization.**

"Nonprofit tax-exempt organization" means a person exempt from taxation under Subchapter F of Chapter 1 of Subtitle A of the Internal Revenue Code, (Section 501 and following), as it may be amended from time to time, including educational, religious and charitable organizations, civic leagues, employee associations, chambers of commerce, recreational clubs, veterans organizations, homeowners associations, and political organizations. All other persons shall be considered for profit organizations. The term "nonprofit tax-exempt organization" shall not include any person, any portion of the net earnings of which inure to the benefit of any private shareholder or individual. (94-3 (part))

**4.02.380 Owner.**

"Owner," as applied to any building or land, means and includes any part owner, joint owner, tenant in common, tenant in partnership, joint tenant, or tenant by the entirety, copartnerships of the whole or of a part of such building or land, or a person having an interest in community property as a member, or former member, of the community. (94-3 (part))

**4.02.390 Peddler.**

"Peddler" means any person who engages in solicitation and has the same meaning as set forth in Section 4.02.550 of this Chapter. (08-07)

**4.02.400 Permit.**

"Permit" means a written authorization, or permission, to conduct a business within the city, such as a business permit issued under Title 5 of this code or a home occupation permit. A tax certificate issued pursuant to this title does not constitute a "permit." (94-3 (part))

**4.02.410 Person.**

"Person" means a domestic or foreign corporation, an association, a syndicate, a joint-stock corporation, a partnership of any kind, a club, business or common-law trust, a society of an individual conducting any business in the city. (94-3 (part))

**4.02.420 Premises.**

"Premises" means all lands, structures, places, and also the personal property, equipment, and appurtenances connected or used therewith in any business. (94-3 (part))

**4.02.440 Professional corporation.**

"Professional corporation" means any corporation organized under the California General Corporation Law which is engaged in rendering professional services in a single profession, or as hereafter amended, and which in its practice or business designates itself as a professional or other corporation as may be required by statute. (94-3 (part))

**4.02.450 Pushcart.**

"Pushcart" means any wagon, cart, or similar wheeled container, not a "vehicle" as defined in the Vehicle Code of the state of California, from which food, beverage or product is offered for sale to the public. (94-3 (part))

**4.02.460 Real estate agent.**

"Real estate agent" means any person licensed as such by the state and engaged wholly or in part in soliciting, transacting and carrying on the purchase, sale or rental of real estate. (94-3 (part))

**4.02.470 Real estate broker.**

"Real estate broker" means any person licensed as such by the state and engaged wholly or in part in soliciting, transacting and carrying on the sale of real estate including soliciting or offering to buy, sell, or lease real property for others; negotiating and collecting loans for borrowers or lenders; dealing in real property sales contracts and promissory notes; receiving advance fees for real estate listings; and dealing in real estate syndicate securities. (94-3 (part))

**4.02.480 Real estate developer.**

"Real estate developer" means any person conducting, managing, or transacting and carrying on the business of acquiring, subdividing, improving, selling, renting and otherwise dealing in and disposing of or developing real property, for commercial, industrial, residential, or nonresidential purposes including, but not limited to, one who constructs improvements upon real property for commercial, industrial, residential, or nonresidential purposes with the object of selling, renting or developing it for his or her own use. (94-3 (part))

**4.02.490 Rental of residential real estate.**

"Rental of residential real estate" means every person leasing, managing, or renting two or more dwelling units whether attached or separate properties. (94-3 (part))

**4.02.500 Retail sale.**

"Retail sale" means every sale of tangible personal property (including articles produced, fabricated or imprinted) other than sale to one who (1) purchases for the purpose of resale as tangible personal property in the regular course of business, or (2) purchases of the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component, or as a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale. (94-3 (part))

**4.02.510 Retailer.**

"Retailer" means any person engaging in the business of selling goods, wares or other merchandise to consumers or users thereof. (94-3 (part))

**4.02.511 Retirement home, convalescent home, skilled nursing facility, residential or community care facility.**

"Retirement home, convalescent home, skilled nursing facility, residential or community care facility" means any facility place or building which is maintained and operated to provide medical or nonmedical residential care or day care including, but not limited to, a rest home, home for the aged, a retirement

home, apartments for the elderly, a facility for care of developmentally disabled, physically handicapped, mentally disordered or incompetent persons. (94-3 (part))

**4.02.520 Revocation.**

"Revocation" means the act of revoking, or the condition of being revoked; canceled; repealed. (94-3 (part))

**4.02.530 Sale.**

"Sale" means the transfer, in any manner or by any means whatsoever, of title to property for a consideration; the serving, supplying or furnishing for a consideration of any property; and a transaction whereby the possession of property is transferred and the seller retains the title as security for the payment of the price shall likewise be deemed to exclude any transaction which is or which, in effect, results in a sale within the contemplation of law. (94-3 (part))

**4.02.540 Services.**

"Services" means the business of providing, maintaining or performing labor for the benefit of another within the city; of supplying some general demand for the benefit of another within the city which does not produce a tangible commodity; or furnishing of services and all activities in which any person, for any other person performs any personal service. (94-3 (part))

**4.02.550 Solicitor.**

"Solicitor" means any person, whether a resident of the city or not, traveling by foot, vehicle or any other type of conveyance who goes from house to house, business to business, from place to place or in or along any highway, street or sidewalk within the city either: (1) requesting, either directly or indirectly, money, credit, funds, contributions, personal property or anything of value; (2) taking or attempting to take orders for the sale of any goods, wares, merchandise or services of any kind, or description for future delivery or for services to be performed in the future, either in person or by distributing flyers and leaflets; and (3) selling and making immediate delivery any goods, wares, merchandise or services of any kind or description, commonly referred to as "peddling". (08-07)

**4.02.560 Stockbroker.**

"Stock broker" and "bond broker" mean any person engaged in the business of buying or selling federal, state, county or municipal stocks or bonds, or stocks or bonds of partnerships or other incorporated entities, or evidences of indebtedness of private persons, partnerships or of incorporated entities, for a fee or commission. (94-3 § 4 (part), 1994)

**4.02.570 Subcontractor.**

See "contractor." (94-3 (part))

**4.02.580 Tax.**

"Tax" means that amount collected for the privilege of engaging in a business or occupation. (94-3 (part))

**4.02.590 Taxicab.**

"Taxicab" means any motor vehicle used in the business of transportation of passengers for hire, where transportation is not over a fixed and definite route, but is under the control, as to the destination and/or route, of the passenger or passengers being carried therein. (94-3 (part))

**4.02.600 Transact and carry on.**

"Transact and carry on" means to repeat, or intend to repeat, or to continue, and includes:

A. The maintaining, operating, managing or being in control of any office, store, warehouse, factory, establishment, location or place:

1. Having one or more telephones listed for any business activity in any classified telephone directory or in the classified section of any consolidated telephone directory;

2. Having in use in connection with any business, one or more counters, desks, chairs, tables, filing cabinets, typewriters, adding or calculating machines, or other articles of office equipment;
  3. At, from, or in which, any processing, supervising, administration, research, sales promotion, solicitation, distributing, routing, delivery, dispatching, billing, collection, accounting, recordkeeping, or activity is conducted in connection with any business;
  4. In, or at which, one or more persons may, for any valuable consideration intended to result, or that results, in any livelihood, financial profit or commercial gain to any person, receive any instruction, advice, treatment or examination, or any service upon their person, or any repair, refinishing, renewing, cleaning, or other improvement to, or of, any personal property;
  5. In which any letter, announcement, advertisement, circular, handbill, newspaper, agreement, contract, instruction, legal instrument, financial statement, statement of account, financial record, or any other instrument or record, is written, printed, reproduced, published, prepared or kept, in connection with any business;
  6. From which any circular, handbill, newspaper, announcement, statement of account, card or letter is sent, or distributed, in writing, or any contract is made, in person or by telephone, in connection with any business;
  7. Upon any exterior side, wall, window, door, roof or other portion, or in the proximity of which, there is maintained any sign, lettering, announcement or advertisement indicating that such office or place is one in, at or from, which any article exists, or any act is performed, in connection with any business.
- B. The repeated or continuous offering, or contracting, orally or in writing, in connection with any business:
1. To sell or rent one or more articles, or one or more rooms, apartments, portions or parcels, of any real or personal property; or
  2. To transport any person or personal property; or
  3. To perform any service.
- C. In connection with any business, the repeated or continuous:
1. Sale or renting of one or more articles or parcels of real or personal property; or
  2. The transporting of any person or property; or
  3. The performance of any service.
- D. The performance, in connection with any business, of any single act, with intent to repeat or continue the performance of such act. (94-3 (part))

**4.02.610 Utility and public utility.**

"Utility" and "public utility" mean any person furnishing the public with communication, water, light, heat or power, subject to regulation by the Public Utilities Commission of the state of California. (94-3 (part))

**4.02.620 Vehicle.**

"Vehicle" means every device in, upon or by which any person or property is or may be transported or drawn upon a public street or highway, except devices moved by human power or used exclusively upon stationary rails or tracks. (94-3 (part))

**4.02.630 Vending machine operations.**

"Vending machine operations" means any business conducted or carried on by any person engaged in the business of operating coin-operated machines or devices on the premises of another or in the business of owning, renting, leasing, lending, or otherwise distributing or supplying coin-operated machines or devices while retaining title thereto. (94-3 (part))

**4.02.640 Vendor.**

"Vendor" means any person engaged in the conduct of business as defined by this chapter. (94-3 (part))

**4.02.650 Wholesale sale.**

"Wholesale sale" means any sale of tangible personal property which is not a "sale at retail." Sales otherwise classified as "retail sales" under Section 4.02.500, may, nevertheless be classified as "wholesale sales" under this section, if the vendor can establish to the satisfaction of the collector that the sale was made to a government agency, public utility, manufacturer, processor or contractor who

consumed the articles in the course of its own operations and did not offer the articles for resale to the general public except as an integral part of manufacturing, construction or service. (94-3 (part))

**4.02.660 Wholesaler.**

"Wholesaler" means any person engaging in the business of selling goods, wares, merchandise or other products for the purpose of resale and not to consumers or users thereof. (94-3 (part))

**4.02.670 Yard sale.**

See "garage sale." (94-3)

## Chapter 4.04

### BUSINESS TAX COLLECTOR

#### Sections:

- 4.04.010 Collector--Duty to enforce.**
- 4.04.020 Collector--Duty to keep records.**
- 4.04.030 Collector--Deposit of taxes, charges and penalties.**
- 4.04.040 Collector--Duty to determine business type or class.**
- 4.04.050 Collector--Necessary rules and regulations.**
- 4.04.060 Collector--Extension of time for filing.**
- 4.04.070 Collector--Additional power to compromise claims.**
- 4.04.080 Collector--Authority to suspend and revoke tax certificate.**
- 4.04.090 Appeal of collector's decision.**
- 4.04.100 Notice.**

#### **4.04.010 Collector--Duty to enforce.**

It shall be the duty of the collector to enforce each and all of the provisions of this title, and the chief of police, the chief building official, and the chief fire official shall render such assistance in the enforcement hereof as may from time to time be required by the collector and authorized by the city manager. Each department or division of the city which issues permits or entitlement of use shall, whenever it is appropriate, require the production of a valid unexpired tax certificate or receipt prior to the issuance of such a permit. (94-3 (part))

#### **4.04.020 Collector--Duty to keep records.**

The collector shall keep full, adequate and accurate records pertaining to the issuance of tax certificates under this title and the collection of all taxes, penalties and other moneys in connection herewith. The collector shall keep in his or her office a record in which he or she shall keep the accounts of all tax certificates currently issued by him or her and remaining in full force and effect. (94-3 (part))

#### **4.04.030 Collector--Deposit of taxes, charges and penalties.**

All taxes, penalties, charges and other moneys received by the collector pursuant to the provisions of this title shall be deposited in the designated fund of the city following the receipt of the same. (94-3 (part))

#### **4.04.040 Collector--Duty to determine business type or class.**

The determination of which business or type of class of business a certificate holder or applicant is engaged in or about to engage in shall be an administrative function of the collector. (94-3 (part))

#### **4.04.050 Collector--Necessary rules and regulations.**

In addition to all other powers conferred upon him or her, the collector shall have the power to make rules and regulations consistent with the provisions of this title as may be necessary or desirable to aid in its enforcement. (94-3 (part))

#### **4.04.060 Collector--Extension of time for filing.**

The collector shall have the power, for good cause shown, to extend the time for filing any required sworn statement for a period not exceeding fifteen days, and in such case to waive any penalty that would have otherwise accrued. (94-3 (part))

#### **4.04.070 Collector--Additional power to compromise claims.**

In addition to all other powers conferred upon him or her, the collector shall have the power, for good cause shown, and after preparation of written findings, to compromise any claim as to the amount of business tax due, any penalty imposed, or any charge demanded. (94-3 (part))

**4.04.080 Collector--Authority to suspend and revoke tax certificate.**

A. The collector shall have the authority to suspend or revoke any tax certificate granted or issued under the provisions of this title at any time for any of the following:

1. Upon the determination by the collector that a material false statement is contained in the application for a new tax certificate or in the application for a renewal tax certificate granted or issued under the provisions of this title, or in any affidavit or statement required to be filed under the provisions of this title; or

2. Upon the determination by the collector that the certificate holder has not paid the tax required to be paid as a condition for the issuance of the tax certificate; or

3. Upon the determination by the collector that the certificate holder has violated any provisions of this title or committed an act or offense which would have constituted grounds for refusal to issue the certificate.

B. Whereupon, the collector shall give a notice of suspension, which notice shall specify the grounds for suspension, and advise the certificate holder of the right to request a hearing before the collector. If the certificate holder requests a hearing within ten days after notice of suspension is given, the suspension shall be stayed pending that hearing. In the event said certificate holder fails to pay any business tax due or any other amount due pursuant to this title, or to request a hearing within ten days after notice has been given, then and in that event the collector shall give a notice of proposed revocation. The certificate holder shall be given at least ten days' notice, which notice shall specify the grounds for revocation.

C. In the event said certificate holder fails within the allotted ten-day period to request a hearing to show cause why his or her tax certificate should not be revoked, then and in that event the collector shall revoke said person's tax certificate and give notice thereof to said person.

D. In the event said certificate holder fails to file within ten working days thereafter, an appeal pursuant to Section 4.04.090 of this code, then the collector's action in revoking said person's tax certificate shall be conclusive as to all matters involved, and the transacting and carrying on by any person of any business pursuant to said tax certificate shall thereafter be deemed a violation of this code.

E. Any person transacting and carrying on any business during any period of tax certificate suspension shall be deemed to be doing so without a tax certificate. Further, any person transacting and carrying on business during any period of tax certificate revocation or suspension shall be refused any permits or entitlement of use which requires the production of a valid unexpired tax certificate. (94-3 (part))

**4.04.090 Appeal of collector's decision.**

A. Any applicant or certificate holder aggrieved by any decision of the collector regarding applicant's business tax, including but not limited to its categorization and classification, the determination of its tax rate, the apportionment of its tax, or the suspension or revocation of its tax certificate, may appeal such decision. The appeal must be in writing, on forms provided by the collector, setting forth the appellant's specific reasons for asserting that the decision was in error, or in violation of this title or other applicable law. It must be received in the financial services department, together with an appeal fee in the amount of twenty-five dollars, no later than twenty days after the notice of the collector's decision is given. (Mailing of a tax certificate renewal form shall be notice of all decisions of collector with respect to the matters stated therein.) Provided, appeal of the revocation or suspension of a tax certificate must be filed within ten days after notice of such revocation or suspension is given. Such revocation or suspension shall be stayed pending the decision on the appeal by the city manager.

B. The city manager or his or her designate will review the facts of the appeal and respond to the applicant not later than fifteen days from the date of submission of the appeal and payment of the appeal fee.

C. The applicant may further appeal the matter to the city council. The appeal must be in writing, on forms provided by the collector, setting forth the appellant's specific reasons for asserting that the

city manager's decision was in error, or in violation of this title or other applicable law. It must be received by the city clerk, together with an appeal fee in the amount of twenty-five dollars, no later than ten days after the notice of the city manager's decision is given. Upon receipt of a timely appeal, the city manager may order a further stay in the suspension or revocation pending council decision. If after reviewing the written appeal, and the findings and decision of the city manager, the council is of the opinion that no further hearing is warranted, the council may affirm the decision of the city manager and dismiss the appeal. If, in the opinion of council, the information presented warrants further hearing, the council shall set a hearing for the appeal at the next available city council meeting, unless a later date is requested by appellant. The hearing may be continued from time to time by vote of the city council. The council may affirm or reverse, wholly or in part, or may modify the decision of the city manager. If significant new evidence is presented in conjunction with the appeal, the council may refer the matter back to the city manager or collector for further consideration and decision.

D. The decision of the council shall be final. (94-3 (part))

**4.04.100 Notice.**

Except as otherwise expressly provided, notice shall be deemed given when delivered personally to the applicant or certificate holder, or to an officer, employee, or agent, or authorized agent for service of process of the applicant or certificate holder, or by leaving a copy during regular business hours at the regular place of business of the applicant with the person in apparent charge of it, or on the day it is deposited in the mail, first class postage prepaid, to the address at which the applicant or certificate holder consented to accept notice, or if none, the last known address of the applicant. (94-3 (part))

## Chapter 4.06

### ADMINISTRATIVE PROVISIONS

#### Sections:

- 4.06.010 Purpose of title.
- 4.06.020 Payment of business tax and tax certificate required.
- 4.06.030 Tax on new business--When payable.
- 4.06.040 Evidence of doing business.
- 4.06.050 Two or more allied businesses.
- 4.06.060 Single location--Multiple businesses--Separate owners.
- 4.06.070 Concessions--Separate tax certificate required.
- 4.06.080 Separate computation of business tax--Branch establishments.
- 4.06.090 Association with local business.
- 4.06.100 Partnerships.
- 4.06.110 Corporations--In general.
- 4.06.120 Professional corporations.
- 4.06.130 Payment of other fees or taxes not excused.
- 4.06.140 General contractor's statement.
- 4.06.150 Tax certificate--Does not permit business otherwise prohibited.
- 4.06.160 Other agency review.
- 4.06.170 Decisions on amounts imposed.
- 4.06.180 Confidentiality.

#### **4.06.010 Purpose of title.**

This title is enacted solely to raise tax revenue for municipal purposes and is not intended for regulation. (94-3 (part))

#### **4.06.020 Payment of business tax and tax certificate required.**

There is imposed upon any business, trade, profession, calling and/or occupation conducted within the city a business tax in the amount set forth in Chapter 4.18 of this title. It is unlawful for any person, whether as principal or agent, or employee, either for himself or for any other person, to transact and carry on any business, trade, profession, calling or occupation within the city without first having procured a tax certificate from the city to do so, and paid the business tax therefor. Exceptions to this requirement are set forth in Chapter 4.14 of this title. (94-3 (part))

#### **4.06.030 Tax on new business--When payable.**

Initial business taxes are due and payable within thirty days after commencement of business in the city. The payment of the taxes shall not in any way constitute a right or permission to begin operations of said business. (94-3 (part))

#### **4.06.040 Evidence of doing business.**

When any person by use of signs, circulars, business cards, telephone book or newspapers advertises, holds out or represents that such person is conducting a business within the city, or when any person holds an active license or permit issued by a governmental agency indicating that such person is in business within the city, or when any person indicates any other evidence of transacting and carrying on business as may be defined elsewhere herein and such person fails to deny by a sworn statement given to the collector that he or she is conducting a business within the city, after being requested to do so by the collector, then the foregoing facts shall be considered prima facie evidence that such person is conducting a business within the city. (94-3 (part))

#### **4.06.050 Two or more allied businesses.**

Whenever any person is engaged in two or more correlated businesses, or is carrying on two or more allied activities at the same location and under the same ownership and management then in that event the business tax shall be applied once only, and for which amount a single combined tax certificate shall be issued. Provided, however, that nothing contained in this section shall be construed to relieve the payment of two or more business taxes when required, where two or more separate businesses are conducted in the same location by the same owner and management and such businesses are not construed by the collector to be correlated or allied with each other. An appropriate business tax as set forth in this title shall be paid for each business. (94-3 (part))

**4.06.060 Single location--Multiple businesses--Separate owners.**

Nothing contained in this title shall be construed to relieve the obligation to obtain a separate tax certificate and to pay the appropriate business tax required for each business owned or conducted by a separate owner within an individual establishment or location whether or not under the same management. (94-3 (part))

**4.06.070 Concessions--Separate tax certificate required.**

Any person who operates any business, whether upon a cost, rental or commission basis as a concession or upon rented floor space in or upon the premises of any tax certificate holder shall be required to obtain a separate and independent license pursuant to this title except as may be otherwise specified. (94-3 (part))

**4.06.080 Separate computation of business tax--Branch establishments.**

A. Where a business tax is imposed upon any business pursuant to this title, and such business is conducted with branch establishments or at separate fixed places, the tax shall be computed as if each such branch or place were a separate and independent business.

B. A separate tax certificate shall be obtained for each branch establishment or location of the business and for each separate type of business at the same location. Each tax certificate shall meet the certificate holder's obligation to have a tax certificate only for the business described therein, at the location specified in the tax certificate, and in the manner designated in such tax certificate.

C. Warehouses and distributing plants used in connection with and incidental to a business shall not be deemed to be separate places of business or branch establishments. (94-3 (part))

**4.06.090 Association with local business.**

Any person who shall associate temporarily with any local business, dealer, trader or merchant, or by conducting any temporary business in connection with, or as a part of or in the name of, any local business, dealer, trader or merchant, shall not be relieved from the provisions of this title and shall be required to pay the appropriate business tax as specified herein. (94-3 (part))

**4.06.100 Partnerships.**

In the event that any business conducted, managed or carried on in the city is organized as a partnership or joint venture, the scheduled business tax need be paid only by the partnership or joint venture. (94-3 (part))

**4.06.110 Corporations--In general.**

In the event that any business conducted, managed or carried on in the city is organized as a general law corporation, pursuant to the California General Corporation Law, the scheduled business tax need be paid only by the corporation. (94-3 (part))

**4.06.120 Professional corporations.**

In the event that any business conducted, managed or carried on in the city is organized as a professional corporation, the scheduled business tax need be paid only by the corporation. (94-3 (part))

**4.06.130 Payment of other fees or taxes not excused.**

Any person required to pay a business tax for conducting a business under this title shall not be relieved from the payment of any other permit charge, fee or tax for the privilege of conducting such business required under any other provision of this code or any other ordinance or regulation of the city or other agency, and such person shall remain subject to all regulatory provisions. (94-3 (part))

**4.06.140 General contractor's statement.**

Every person acting as a general contractor, whether building for their own occupancy or not, shall file with the collector a full, true and complete written statement, signed by such person, under penalty of perjury, listing all subcontractors who have performed or shall perform any service whatsoever for such person within the city for which a tax certificate is required under the provisions of this title. Any builder-owner, general engineering contractor, specialty contractor, or subcontractor, subcontracting any work shall be deemed a general contractor for the purpose of this section. Said statement shall include the name, address, telephone number, state license number and specialty classification of each person required to have a tax certificate. (94-3 (part))

**4.06.150 Tax certificate--Does not permit business otherwise prohibited.**

The tax certificate issued pursuant to the provisions of this title constitute a receipt for the business tax paid and shall have no other legal effect. A tax certificate is a requirement, not a permit, to transact and carry on any business activity within this city. The granting of a tax certificate for a business shall not be deemed a permit to conduct the same in an unlawful manner or on premises where such business is prohibited by law. (94-3 (part))

**4.06.160 Other agency review.**

The collector may refer to any governmental agency any statement and all other information submitted by persons subject to the provisions of this title in connection with the conduct of a business regulated or supervised or otherwise the concern of any such agency, including agencies concerned with health regulations, zoning conformance, fire safety, police considerations, or any other safeguard of the public interest. Failure to comply with conditions required by other agency review may result in revocation of the tax certificate once granted. (94-3 (part))

**4.06.170 Decisions on amounts imposed.**

If any business tax imposed by this title is for any reason held to be discriminatory or invalid in amount, by the decision of any court of competent jurisdiction, such decision shall not affect the validity of a lesser amount imposed by the collector. The city council hereby declares that it would have imposed a business tax of some amount on the business, occupation, calling, trade, vocation or other enterprise in question, irrespective of the fact that any one or more of the business taxes imposed herein may be declared discriminatory or invalid in amount. (94-3 (part))

**4.06.180 Confidentiality.**

It is unlawful for the collector to make known to the public in any manner whatsoever information obtained about the business affairs or operations of an applicant obtained by an investigation of records and equipment of any person required to obtain a tax certificate, or pay a business tax, or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof. All gross receipts statements or estimates required by this title shall be confidential and are hereby declared not to be public records. Any unauthorized disclosure or use of such information by any officer, agent or employee of the city shall be subject to the penalty provisions of this code in addition to any other penalties provided by law. Provided that nothing in this section shall be construed to prevent:

A. The disclosure to, or the examination of records and equipment by, another city official, employee, or agent for collection of taxes for the sole purpose of administering or enforcing any provisions of this title, or collecting taxes imposed hereunder;

B. The disclosure of information to, or the examination of records by, federal or state officials, or the tax officials of another city or county, if a reciprocal arrangement exists, or to a grand jury or court of law, upon subpoena;

- C. The disclosure of information and results of examination of records of particular taxpayers, to a court of law in a proceeding brought to determine the existence or amount of any business tax liability of the particular taxpayers to the city;
- D. The disclosure after the filing of a written request to that effect, to the taxpayer himself or herself, or to his or her successors, receivers, trustees, executors, administrators, assignees and guarantors, if directly interested, of information as to the times included in the measure of any tax paid, any unpaid tax or amounts of tax required to be collected, interest and penalties;
- E. The disclosure of the names and business addresses of persons to whom tax certificates are currently issued, and the general type or nature of their business;
- F. The disclosure by way of public meeting or otherwise of such information as may be necessary to the city council in order to permit it to be fully advised as to the facts when a taxpayer files an appeals claim for tax-exemption, tax certificate reinstatement, refund of forfeited taxes or bonds, compromise with regard to a claim asserted against him or her by the city for business taxes, or when acting upon any other matter;
- G. The disclosure of general statistics regarding taxes collected or business done in the city. (94-3 (part))

## Chapter 4.08

### APPORTIONMENT OF TAX

#### Sections:

- 4.08.010 No undue burden.**
- 4.08.020 Necessary rules and regulations.**
- 4.08.030 Burden on interstate or intercity commerce--Petition for adjustment.**

#### **4.08.010 No undue burden.**

None of the business taxes provided for by this title shall be so applied so as to occasion an undue burden upon interstate commerce or be violative of the Constitutions of the United States or the state of California. (94-3 (part))

#### **4.08.020 Necessary rules and regulations.**

When, by reason of the provisions of the Constitution of the United States or the Constitution of the state of California, the business tax imposed by the provisions of this title cannot be enforced as to any single class or set of classes of business or business activity without there being an apportionment according to the amount of business done in the city, or in the state of California, as the case may be, the collector, having first obtained the approval of the city attorney, shall make such rules and regulations for the apportionment of the tax as are necessary or otherwise desirable to overcome the constitutional objections. (94-3 (part))

#### **4.08.030 Burden on interstate or intercity commerce--Petition for adjustment.**

A. In any case where a business tax is claimed by a certificate holder or applicant for tax certificate to place an undue burden upon interstate commerce, or intercity commerce, or be violative of the Constitutions of the United States and/or the state of California, he or she may apply to the collector for an adjustment of the tax so that it shall not be discriminatory or unreasonable as to such commerce. Such application may be made before, at or within six months after payment of the prescribed business tax. The applicant shall by affidavit and supporting testimony show his or her method of business and the gross volume or estimated gross volume of business and such other information as the collector may deem necessary in order to determine the extent, if any, of undue burden on such commerce. The collector shall then conduct an investigation and, having first obtained the approval of the city attorney, shall fix as the business tax for the applicant an amount that is reasonable and nondiscriminatory. If the business tax has already been paid, the collector shall order a refund of the amount over and above the business tax so fixed. In fixing the business tax to be charged, the collector may base the business tax upon a percentage of the gross receipts or any other measure which will assure that the business tax levied shall be uniform with that levied on businesses of like nature so long as the amount levied does not exceed the business tax as prescribed by this title. Should the collector determine the gross receipts measure of business tax to be the proper basis, he or she may require the applicant to submit, either at the time of termination of the applicant's business in the city, or at the end of each twelve-month period, a verified affidavit of the gross receipts and payment of the amount of business tax therefor; provided, that no additional business tax during any one calendar year shall be required after the certificate holder has paid an amount equal to the annual business tax as prescribed in this title.

B. The collector shall, upon proper showing contained in the verified affidavit, cause the issuance of a tax certificate to such person showing partial exemption under this section with a business tax based upon the approved reduced gross receipts.

C. The collector after giving notice and a reasonable opportunity for hearing to a certificate holder pursuant to Section 4.04.080 of this title, shall revoke any tax certificate granted pursuant to the provisions of this section upon information that the certificate holder is not entitled to the adjustment as provided herein. (94-3 (part))

## Chapter 4.10

### PAYMENT OF TAX AND ISSUANCE OF TAX CERTIFICATE

#### Sections:

- 4.10.010 Business tax application.
- 4.10.020 Statements not conclusive.
- 4.10.030 Contents of tax certificate.
- 4.10.040 Term of tax certificate--New.
- 4.10.050 Term of tax certificate--Renewal--Due date--No grace period.
- 4.10.060 Tax--How and when payable--Effect of dishonored instrument.
- 4.10.070 Tax--Application of money towards delinquent taxes.
- 4.10.080 Statement of tax--Mistake not conclusive.
- 4.10.090 Renewal statement--Gross receipts--Submission and filing.
- 4.10.100 Payments, statements made by mail--Effect.
- 4.10.110 Penalties for delinquency--Application--Written agreement to satisfy indebtedness--Effect.
- 4.10.120 Penalties for delinquency--Added to tax.
- 4.10.130 Suspension and revocation of tax certificate.
- 4.10.140 Refunds.
- 4.10.150 Repealed (Ord. 96-04)
- 4.10.160 Repealed (Ord. 96-04)
- 4.10.170 Repealed (Ord. 96-04)
- 4.10.180 Repealed (Ord. 96-04)
- 4.10.190 Repealed (Ord. 96-04)
- 4.10.200 Posting, public display--Keeping on person.
- 4.10.210 Nontransferable--Change of name or location.
- 4.10.220 Duplicates.
- 4.10.230 Use of tax certificate by unlicensed person.
- 4.10.240 Unpaid taxes--Tax plus penalties.

#### **4.10.010 Business tax application.**

Before any tax certificate is issued, the applicant shall make a written application to the collector, which shall contain the following information:

- A. The exact nature or kind of business, profession, show, exhibition, game, occupation or enterprise for which the tax certificate is requested;
- B. The place where such activity is to be carried on; and if the same is not to be carried on at any permanent place of business, then the residence address, identified as such, of the owners of the same, is to be used;
- C. The address where the applicant shall consent to receive mail concerning the tax certificate applied for;
- D. If amount of the license tax to be paid by the applicant is measured by gross receipts, the applicant shall use its actual gross receipts for the prior calendar year. If the applicant does not have a full calendar year of gross receipts, an annualization calculation will be used. If the applicant does not have any gross receipts for the prior calendar year, an estimate of gross receipts for the licensing period is to be used to calculate the tax;
- E. Where any person contracts, sells or delivers any goods, wares or merchandise in the city for which sales or use tax is payable, the application shall set forth the appropriate California State Board of Equalization permit number;
- F. Where any person employs others in the course of such business, the application shall set forth the appropriate federal and/or state employer identification number;
- G. Where any person conducting any business is self-employed, the application shall set forth the applicant's social security number and California driver's license number;

H. In the event that the application is made for the issuance of a tax certificate to a person doing business under a fictitious name, the application shall set forth the names and address of residence (post office boxes are unacceptable) of those owning said business or enterprise;

I. In the event that the application is made for the issuance of a tax certificate to a person doing business as a state-licensed contractor, the application shall set forth the applicant's state contractor's license number and specialty classification;

J. Any further information which the collector may require to enable him to issue the type of tax certificate applied for; and any further information which the state may require, or any further information which the collector may deem necessary to properly identify the applicant;

K. A signed statement made under penalty of perjury that the statements therein are true and correct, which statement shall be required to be filed with the collector upon submission of any original tax certificate application, annual renewal statement, miscellaneous supplementary statement, or other return of filing.

All information specified to be set forth on any application form prescribed by the collector shall be submitted completely and accurately and the tax certificate shall be deemed based upon the information submitted and represented. The collector shall not be required to receive or consider any application, return or statement unless the signed statement required in subsection K above quoted declaration, in substantially the form hereinabove is properly executed by the applicant or the authorized agent or representative of the applicant, and it is unlawful and shall be deemed a violation of this code in any such application, return or statement for such applicant or authorized agent or representative of the applicant to make any statement which is false. (94-3 (part))

#### **4.10.020 Statements not conclusive.**

No statements or applications required hereunder shall be conclusive as to the matters set forth therein, no shall the filing of the same preclude the city from collecting by appropriate action such sums as are actually due and payable hereunder. (94-3 (part))

#### **4.10.030 Contents of tax certificate.**

All tax certificates, unless otherwise provided in this code, shall be prepared and issued by the collector upon the payment to the city of the sum required to be paid hereunder, or upon filing of proof satisfactory to the collector of eligibility for exemption from such payment. Each tax certificate so issued shall state upon the face thereof the following:

A. The tax certificate number of the certificate holder;

B. The date of expiration of such certificate;

C. The persons to whom the same is issued, or where the said persons are doing business under a fictitious name; both actual and fictitious names to whom the same is leased;

D. The kind of business, profession, show, exhibition, game, occupation or enterprise for which the certificate is issued and the location of the same;

E. A statement that this tax certificate is issued without verification that the certificate holder is subject to or exempt from licensing by the state of California;

F. Any additional statement the collector may deem necessary or which the state may require. (Ord. 94-3 (part))

#### **4.10.040 Term of tax certificate--New.**

The term of a first tax certificate to be issued under the provisions of this title for a business is for a twelve-month period beginning on the first day of the month in which the tax certificate application is accepted by the collector as complete for the applicant commences business, whichever is earlier) and expiring on the last day of the same month the following year. (94-3 (part))

#### **4.10.050 Term of tax certificate--Renewal--Due date--No grace period.**

The term of renewal tax certificates is for a twelve-month period beginning on the first day of the month following the expiration of the previous tax certificate. Provided, any tax certificate which expires on May 15, 1993, shall be renewed for a period of ten and one-half months, so that it expires on March 31, 1994. Subsequent renewals of such tax certificates shall be for a twelve-month period. There is no grace period during which penalties are waived for tax certificates that are not renewed prior to their expiration date. (94-3)

**4.10.060 Tax--How and when payable--Effect of dishonored instrument.**

All business taxes shall be paid in advance, in lawful money of the United States, or by check, draft or other instrument in the discretion of the collector, at the office of the collector in the financial services department of the city. No tax certificate shall be issued or renewed until the amount due and payable has been paid in full. Any tax certificate, the tax for which has been paid by an instrument such as a check, or draft which is dishonored upon presentation for payment, shall be void and of no effect from its inception. Payment of business taxes following a dishonor of such instrument upon presentation for payment, shall be void and of no effect from its inception. Payment of business taxes following a dishonor of such instrument upon presentation for payment shall thereafter be made only by cashier's check, money order or cash, which fee shall include any applicable penalty, as well as a returned check charge. (94-3)

**4.10.070 Tax--Application of money towards delinquent taxes.**

Money received during the current year for a tax certificate shall first be applied to the payment of delinquent taxes, sums and penalties due during any preceding calendar year, any balance remaining thereafter shall be applied to the payment of the current business taxes and penalties. A tax certificate issued during any prior year to the same owner, tenant or occupant for the same place of business shall be prima facie evidence in any court or administrative proceeding that the business was continuously operated by the same person or firm from said prior year to the current year. (94-3 (part))

**4.10.080 Statement of tax--Mistake not conclusive.**

A. No greater or lesser amount of money shall be charged or received for any business tax other than provided for in this title. In no case shall any mistake of the collector in stating the amount of a business tax, or of penalties, accrued thereon prevent or prejudice the collection by the city of what should actually be due from any person carrying on a business subject to business tax under this title. No statement shall be conclusive as to the matters set forth therein, nor shall the filing of the same preclude the city from collection by appropriate action such sum as is actually due and payable hereunder.

B. Where a mistake is made in the issuance of any tax certificate with regard to the classification under which said tax certificate was issued, then a new tax certificate shall be issued in the proper classification in lieu thereof, under the date of the original tax certificate, and the certificate holder shall pay any additional amount required by such a change. (94-3 (part))

**4.10.090 Renewal statement--Gross receipts--Submission and filing.**

In all cases where the tax certificate is based on gross receipts, the applicant shall submit to the collector, for his or her guidance in ascertaining the amount of the tax certificate to be paid by the applicant, a written statement upon a form to be provided by the collector written under penalty of perjury, setting forth such information concerning the nature, location, intended duration, and ownership of applicant's business as well as applicant's gross receipts during the preceding calendar year or annualized gross receipts as may be required by the collector to enable him or her to ascertain the amount of business tax to be paid by said applicant pursuant to the provisions of this title. This renewal statement shall be sent by first class United States mail by the collector no later than thirty days before the taxes are due. Failure to receive such notification shall not exempt the certificate holder from all requirements under this title. (Ord. 94-3 (part))

**4.10.100 Payments, statements made by mail--Effect.**

A. When the last day of the month in which the business tax is due falls on a Saturday, Sunday, or state or national holiday, payment of the business tax may be made without penalty on the first working day of the month. For the purpose of this section, post marks shall be accepted as the date of payment made, provided the transmitting envelope contains a post office cancellation indicating not later than the date due, or in the case of a weekend or holiday, not later than the first following working day.

B. Whenever any other payment, statement, application, report or other communication received by the collector is received after the time prescribed by this title for the receipt thereof, and whenever the collector is furnished sufficient proof that the payment, statement, application, report, request or other communication was in fact deposited in the United States mail prior to the time prescribed for the

receipt thereof, the collector shall regard such payment, statement, report, request or other communication as having been timely received. (94-3 (part))

**4.10.110 Penalties for delinquency--Application--Written agreement to satisfy indebtedness--Effect.**

A. For failure to pay a business tax when due, the collector shall add the following penalties: (1) ten percent of said tax on the past due date thereof; (2) plus an additional fifteen percent of said tax on the first day of the second month after the past due date thereof; (3) plus an additional twenty-five percent of said tax on the first day of the third month after the due date thereof; and (4) plus an additional fifty percent of said tax on the first day of the fourth month thereafter; provided, that the maximum amount shall not exceed an amount equal to one hundred percent of the amount of the business tax due.

B. No tax certificate or sticker, decal, tag, plate or symbol shall be issued, nor shall one which has been suspended or revoked be reinstated or reissued, to any person who, at the time of applying therefor, is indebted to the city for any delinquent business tax, unless such person, with the consent of the collector, enters into a written agreement with the city, through the collector, to pay such delinquent taxes in monthly installments, or oftener, extending over a period not exceeding one year. In any agreement so entered into, such person shall acknowledge the obligation owed the city and agree that, in the event of failure to make timely payment of any installment, the whole amount unpaid shall become immediately due and payable. In the event, such person fails within a period of thirty days thereafter to render payment in full, his or her current tax certificate may be revoked by the collector. In the event legal action is brought by the city to enforce collection of any amount included in the agreement, such person shall pay all costs of suit incurred by the city or its assignee, including attorney fees. The execution penalties on unpaid balances at the rate provided hereinabove, but no penalties or additional interest shall accrue as hereinafter provided on account of fees included in the agreement after the execution of the agreement and the payment of the first installment and during such time as such person shall not be in breach of the agreement. The execution of such an agreement shall render any subsequent appeal null and void and shall constitute a waiver against future action. (94-3 (part))

**4.10.120 Penalties for delinquency--Added to tax.**

Any penalties assessed hereunder upon attaining a combined amount equal to one hundred percent of the amount of the business tax due shall become merged with the tax payable hereunder and shall be considered as a part thereof for all purposes. (94-3 (part))

**4.10.130 Suspension and revocation of tax certificate.**

Unless revocation is made upon conditions set forth in a written agreement executed pursuant to Section 4.10.110 of this chapter, no certificate holder's tax certificate shall be suspended and/or revoked for failure to pay the business tax until the penalties accruing for such failure to pay equal one hundred percent of the business tax due for such tax certificate. Whereupon, the collector shall give a notice and an opportunity to be heard as provided in Section 4.04.090 of this title. (94-3 (part))

**4.10.140 Refunds.**

Any claim for a refund of any tax, interest or penalty collected or received by the city under this Chapter 3.28 shall be presented in accordance with Chapter 1.16 of Title 1 of this code." (96-04 (part); 94-3 (part))

**4.10.200 Posting, public display--Keeping on person.**

A. Any certificate holder transacting and carrying on business at a fixed place of business in the city which is open to the public shall keep the tax certificate prominently posted in a conspicuous and public place upon the premises where such business is carried on. Provided further that any certificate holder transacting and carrying on business at a fixed place of business in the city which is closed to the public shall nevertheless keep the tax certificate posted in a conspicuous and accessible place upon the premises where such business is carried on.

B. Any certificate holder transacting and carrying on business but not operating at a fixed place of business in the city shall keep the tax certificate within his or her possession.

C. Whenever the city shall provide a special tag or plate for the identification of a vehicle for which a business tax certificate fee has been paid, such tag or plate shall be affixed to the vehicle in accordance with the pertinent regulations of the collector.

D. Any person having a tax certificate under the provisions of this title shall produce and exhibit same whenever required to do so by any collector, or any other officer or official or employee authorized to inspect tax certificates or by any person being solicited.

E. No person shall exhibit a revoked tax certificate.

F. No person shall reproduce, duplicate, copy or alter an original tax certificate for the purpose of circumventing the requirement of this section by giving a false or misleading impression that any duplication of an original city tax certificate is valid and that the appropriate fee therefor has been paid. (94-3 (part))

**4.10.210 Nontransferable--Change of name or location.**

A. No tax certificate issued pursuant to this title shall be transferable or assignable; provided, that where a tax certificate is issued authorizing a person to conduct a business at a particular place, such certificate holder may, upon application therefor and upon paying a charge of five dollars, have the tax certificate amended to authorize the conducting of such business under said tax certificate at some other location to which the business is or is to be moved.

B. When a person holding a tax certificate issued under the provisions of this title changes the name of the business, such person shall upon changing the name make an application to the collector and paying a charge of five dollars to have said tax certificate amended to reflect the change in name.

C. Provided further that transfer, whether by sale or otherwise, to another person under such circumstances that the real or ultimate ownership after the transfer is substantially similar to the ownership existing before the transfer, shall not be prohibited by this section. For the purpose of this section, stockholders, bondholders, partnerships or other persons holding an interest in a corporation or other entity herein defined to be a person are regarded as having the real or ultimate ownership of such corporation or other entity. (94-3 (part))

**4.10.220 Duplicates.**

A duplicate tax certificate may be issued to replace any tax certificate previously issued hereunder which has been lost, damaged or destroyed upon the certificate holder filing a statement of such fact, and at the time of filing such statement, paying a duplicate tax certificate charge of five dollars. (94-3 (part))

**4.10.230 Use of tax certificate by unlicensed person.**

No person holding a tax certificate required by this title shall permit any unlicensed independent contractor, itinerant merchant or other person to use the tax certificate, the licensed premises or the certificate holder's name for the purpose of evading payment of any tax certificate fee or of evading any other provision of this title. (94-3)

**4.10.240 Unpaid taxes--Tax plus penalties.**

No tax certificate for any succeeding, current or unexpired tax period shall knowingly be issued to any person who, at the time of application, is indebted to the city for any unpaid tax. The total indebtedness shall include the total tax due plus penalties for failure to pay the tax when due. (Ord. 94-3 (part))

## Chapter 4.12

### ENFORCEMENT

#### Sections:

- 4.12.010 Enforcement--Right of entry.**
- 4.12.020 Enforcement--Final building inspection.**
- 4.12.030 Audit of books.**
- 4.12.040 Taxes a debt to city--Actions for collection of taxes.**
- 4.12.050 Penalty--Conducting business without tax certificate.**
- 4.12.060 Saving clause.**
- 4.12.070 Misrepresentation.**
- 4.12.080 Suspension or revocation of tax certificate.**
- 4.12.090 Remedies cumulative.**

#### **4.12.010 Enforcement--Right of entry.**

Any police officer or code enforcement official shall have the power and authority to enter, free of charge, and at any reasonable time, any place of business required to be licensed under this title, and demand an exhibition of its tax certificate. (94-3 (part))

#### **4.12.020 Enforcement--Final building inspection.**

Final building inspection approvals shall be issued only when it is ascertained by the building division that all tax liability of the contractor and all subcontractors has been fully satisfied. (94-3 (part))

#### **4.12.030 Audit of books.**

A. The collector, or authorized agents of the city, who are hereby authorized to examine, audit, and inspect such books and records of any certificate holder or applicant for tax certificate, as may be necessary in their judgment to verify or ascertain the amount of business tax due.

B. All persons subject to the provisions of this title shall keep complete records of business transactions, including rent collected, sales, sales tax collected and paid to the state, receipts, purchases, and other expenditures, including the number of persons employed and otherwise engaged in the business, and shall retain all such records for examination by the collector. Such records shall be maintained for a period of three complete calendar years. The collector is authorized to issue subpoena to obtain such records. Subpoenas shall specify a specific date whereby the person is required to either (1) bring the above-described records to the collector, or (2) authorize the collector (or the collector's representatives) to examine the records at a business location within twenty-five miles of the city. No person required to keep records under this section shall, upon receipt of said subpoena, fail to comply with subpoena issued by the collector. (94-3 (part))

#### **4.12.040 Taxes a debt to city--Actions for collection of taxes.**

The amount of any business tax, penalty, or interest, or any combination thereof, imposed by the provisions of this title shall be deemed a debt to the city. An action may be commenced in the name of the city in any court of competent jurisdiction for the amount of any delinquent business tax, penalties, interest, charges and administrative costs incurred in connection therewith, including attorneys fees. (94-3 (part))

#### **4.12.050 Penalty--Conducting business without tax certificate.**

Any person who shall commence, engage, transact and carry on any trade, calling, profession, occupation or business within the city without first having procured a tax certificate from the city to do so, shall be assessed a penalty in accordance with Section 4.10.110 of this title, which amount shall be calculated for the period beginning with the calendar month in which the commencement of business

activity within the city began. Provided, however, that the start of such period shall not exceed three years prior to the date of notification of violation. (94-3 (part))

**4.12.060 Saving clause.**

Neither the adoption of this title nor its superseding any portion of any other title shall in any manner be construed to affect prosecution for violation of any title or ordinance prior to the effective date hereof, nor be construed as a waiver of any tax certificate or any penal provision applicable to any such violation, nor be construed to affect the validity of any bond or cash deposit required by any ordinance to be posed, filed or deposited, and all rights and obligations thereunto appertaining shall continue in full force and effect. (94-3 (part))

**4.12.070 Misrepresentation.**

No person shall knowingly or intentionally misrepresent any material fact in applying for or paying for the tax certificate. (94-3 (part))

**4.12.080 Suspension or revocation of tax certificate.**

The collector, or his designated representative, shall have the power to suspend or revoke any tax certificate whenever it appears to the collector that the holder of the tax certificate (1) has violated any of the provisions of this title, or (2) has committed any act or offense which would have constituted grounds for non-issuance of a tax certificate. Notice of such suspension or revocation and an opportunity to be heard shall be given as provided in Section 4.04.090 of this title. (94-3 (part))

**4.12.090 Remedies cumulative.**

The conviction and fine or imprisonment of any person for engaging in any business without first obtaining a tax certificate to conduct such business shall not relieve such person from paying the business tax to conduct such business, nor shall the payment of any business tax prevent a civil action or criminal prosecution for the violation of any of the provisions of this title. All remedies prescribed hereunder shall be cumulative and the use of one or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions hereof. (94-3 (part))

## Chapter 4.14

### EXEMPTIONS

#### Sections:

- 4.14.010 Business activity exempt under state or federal law.**
- 4.14.020 Other exemptions.**
- 4.14.030 Tax certificate required.**
- 4.14.040 Burden of proof.**
- 4.14.050 Filing for exemptions.**
- 4.14.060 Tax-exempt tax certificates--Limitations.**

#### **4.14.010 Business activity exempt under state or federal law.**

No business tax shall be required of or from the following:

- A. Any person exempt from the business tax by virtue of the constitution or any applicable statutes of the United States or the state of California;
- B. Any disabled veteran who has been honorably discharged from military service of the United States and who is exempted from the payment of business tax by statute of the state who distributes circulars, hawkers, peddles, or vends any goods, wares or merchandise owned by him or her, except spirituous, malt, vinous or other intoxicating liquor;
- C. Banks, including national banking associations, federal credit unions, and financial corporations, but only to the extent that a city may not levy a business tax upon them under the provisions of Article XIII, Section 27 of the State Constitution;
- D. Insurance companies or associations engaged in the sale and servicing of insurance and their direct agents, including bail bond agents and life agents, but not including brokers or bail bond brokers or life and disability insurance analysts or insurance solicitors, but only to the extent that a city may not levy a business tax upon them under the provisions of Article XIII, Section 28 of the State Constitution;
- E. Any governmental agency or subdivision and the employees thereof, but only to the extent they are engaged in the business of such governmental agencies or subdivisions;
- F. Motor vehicle carriers, or household goods carriers operating under the jurisdiction of the Public Utilities Commission of the state of California or any public transportation system in the city whose definite permanent points of origin and/or termination lie outside of the legal limits of the city but only to the extent that a city may not levy a business tax upon them pursuant to Section 4301 et seq. of the State Public Utilities Code;
- G. Any state alcoholic beverage licensee engaged in the manufacture, sale, purchase, possession, or transportation of alcoholic beverages within the state, but only to the extent that a city may not levy a business tax upon them under provisions of Article XX, Section 22 of the State Constitution;
- H. Any day care or residential facility where not more than six people are cared for on a full- or part-time basis, but only to the extent that a city may not levy a business tax upon it pursuant to Section 1523 of Section 1566.2 of the State Health and Safety Code;
- I. Any real estate auction conducted by a person whose business is solely limited to the auctioning of real estate and who does not have a permanent place of business in the city, to the extent such exemption is required by Business and Professions Code Section 16002.1. (94-3 (part))

#### **4.14.020 Other exemptions.**

No business tax shall be required of or from the following:

- A. Any nonprofit tax-exempt organization, provided this exemption shall not apply to promoters hired as independent contractors by nonprofit tax-exempt organizations;
- B. Any enterprise or entertainment conducted or operated for not more than seven days during any calendar year when the receipts derived therefrom are to be appropriated to the sole benefit of a nonprofit tax-exempt organization, from which no profit is derived, either directly or indirectly, by any private person, except such persons who have a valid tax certificate covering their participation in such event;

- C. Resident farmers, poultrymen, and horticulturists selling exclusively their own produce whether to stores or from house to house. This exemption shall not apply to nurseries or to any commercial establishment, or to any person who buys goods for resale as well as selling his or her own goods;
- D. Any doctor, lawyer, architect, dentist or other professional person not having a fixed place of business within the city; provided, however, that he or she does not advertise for or solicit business within the city;
- E. Ministers engaging in their duties as such;
- F. Any person who is acting solely as an employee or as the direct representative of a business which pays the required business tax to the city and is named as certificate holder in an unrevoked tax certificate;
- G. Any person who performs manual labor only, on an hourly or other time-basis, and who furnishes only such tools and incidentals as may be required in the performance of such manual labor. This provision shall not apply to any person who also furnishes materials, whether the same are billed separately or not;
- H. Any person performing only an act required by order of a court of competent jurisdiction for performing such an act;
- I. Students of high school age or less and those persons over sixty-five engaged in part-time occupations whose income does not exceed five thousand dollars per year;
- J. Teachers of musical, artistic or educational subjects when the total income from this activity does not exceed five thousand dollars for the calendar year and one or more of the following conditions exist:
  - 1. The teaching is done at the residence of the teacher or at the residence of the pupil as a part-time business only,
  - 2. The teacher does not employ assistants, does not display an advertising sign at the residence, and does not make a general practice of selling merchandise in connection with the teaching,
  - 3. Upon issuance of a home occupation permit, the teacher complies with all provisions and conditions set forth in the home occupation ordinance, and has applied for and been granted approval for such permit;
- K. Yard and garage sales conducted on any property used or occupied for residential purposes and in compliance with Chapter 16.157 of the City's municipal code;
- L. Concerts, theatrical performances, dances and similar activities conducted on any property owned or operated by a nonprofit tax-exempt organization or by a government agency. (94-3 (part))

**4.14.030 Tax certificate required.**

Any person claiming exemption from the payment of a business tax under this chapter shall, nevertheless, apply to the collector for a tax certificate in the same manner, and at the same time as is required in this title of all other persons applying for a tax certificate and shall be subject to the same procedures for enforcement and to the same penalties as provided herein, if either of the following apply:

- A. The person has a fixed place of business within the city and employs one or more persons;
- B. The person has a fixed place of business within the city which is owned, leased or licensed by it for its exclusive use, and for which no other person has a valid business permit issued by the city. (94-3 (part))

**4.14.040 Burden of proof.**

An institution or organization claiming a business tax exemption under this section has the burden of furnishing to the collector such information as the collector may require to support the claim or eligibility for exemption. (94-3 (part))

**4.14.050 Filing for exemptions.**

- A. Any person claiming an exemption from payment of the business tax under this title and required to obtain a tax certificate shall file a sworn statement with the collector stating the facts upon which exemption is claimed. In the absence of such a statement substantiating the claim, such person shall be liable for the payment of the taxes imposed herein.
- B. The collector shall, upon a proper showing contained in the sworn statement, and in such supplement thereto as may be required by the collector, issue a tax certificate to the person claiming

exemption under this section without payment to the city of the business tax required herein. (94-3 (part))

**4.14.060 Tax-exempt tax certificates--Limitations.**

- A. Every tax certificate issued without payment of the usual tax shall state "Tax-Exempt" upon its face.
- B. Any tax certificate issued as tax-exempt shall be subject to suspension and revocation by the collector in the event that it is determined by the collector that the applicant is not entitled to exemption. All such suspensions and revocations shall be made after notice and right to a hearing pursuant to Chapter 4.12 of this title.
- C. Any tax certificate issued as tax-exempt shall be void and shall afford no defense in any civil or criminal prosecution if any material statement contained in the application, statement of facts or any other document or representation made to the collector in claiming the exemption is false or fraudulent.
- D. No tax-exempt tax certificate may be transferred or loaned.
- E. Upon uncertainty, for lack of information or otherwise, as to the entitlement of any organization or activity to a tax-exempt tax certificate, the collector may require the filing of a verified report of all funds received and disbursed by any certificate holder. Upon demand such certificate holder shall file said report in the form and detail as required by the collector within thirty calendar days after demand.
- F. When a business, otherwise exempt pursuant to this chapter, is conducted by a nonexempt person on behalf of such business, the exemption shall be applicable only with regard to the exempt business, and shall not be applicable with regard to the nonexempt person. (94-3 (part))

## Chapter 4.16

### BUSINESS TAX CATEGORIES

#### Sections:

- 4.16.010 Tax Category I--Auto dealer, auto repair, service station and food stores.**
- 4.16.020 Tax Category II--All other retail businesses.**
- 4.16.030 Tax Category III--Service.**
- 4.16.040 Tax Category IV--Professionals.**
- 4.16.050 Tax Category V--Wholesale, manufacturing, import-export, branch and management offices.**
- 4.16.060 Tax Category VI--Retirement home, convalescent home, skilled nursing facility, residential or community care facility.**
- 4.16.070 Tax Category VII--Contractors and real estate developers.**
- 4.16.080 Tax Category VIII--Rental of commercial property.**
- 4.16.090 Tax Category IX--Recreation centers, vending machine operations and entertainment machines.**
- 4.16.100 Tax Category X--Utilities not franchised by the city.**
- 4.16.110 Tax Category XI--TV program service providers not franchised by city.**
- 4.16.120 Tax Category XII--Flat or fixed rate classifications.**

#### **4.16.010 Tax Category I--Auto dealer, auto repair, service station and food stores.**

Every person engaged in the business of selling trucks and autos, the repairing of trucks and autos, gasoline service stations, grocery stores and meat, fish, fruit and vegetable markets unless otherwise expressly provided in this title is a Tax Category I business. (94-3 (part))

#### **4.16.020 Tax Category II--All other retail businesses.**

Every person engaged in the business of selling goods, wares or merchandise at retail, or providing lodging unless otherwise expressly provided in this title is a Tax Category II business. Examples of such businesses include but are not limited to: apparel store, arts and crafts fair organizer, building material and hardware store, consignment sales, drugstore, dry goods store, funeral home, furniture stores, gift shop, handicrafter, hotel, jeweler, liquor store, motel, newspaper, printer, rental of residential real estate, restaurant, snack bar, theaters or any similar business. Any business not classified as part of another category shall be placed in Tax Category II. (94-3 (part))

#### **4.16.030 Tax Category III--Service.**

Every person engaged in a service business unless otherwise expressly provided in this title is a Tax Category III business. Examples of such businesses include but are not limited to the following: barber or beauty shop, bookkeeper, car rentals, car wash, copy service, fortune teller, handy person, laundry, masseur, masseuse, postal centers, repair shop, self storage, secretarial services or any similar business or occupation. (94-3 (part))

#### **4.16.040 Tax Category IV--Professionals.**

Every person engaged in the practice of a profession or professional business within the city unless otherwise expressly provided in this title is a Tax Category IV business. Examples of such businesses include but are not limited to the following: accountant, art gallery, advertising counsel, auditor, appraiser, aquarist, architect, artist, assayer, attorney, bacteriologist, business or investment counsel, brokers of all types, certified public accountant, chemist, chiropodist, chiropractor, chirothesiast, collection agent or agency, consultant, credit counselor or rater, dancing or music schools, dentist, designer or decorator, detective agency, draftsman, drugless practitioner, economist, electrologist, employment agency, engineer, engraver, entomologist, escrow agency, geologist, illustrator, insurance adjuster or claims adjuster or broker, laboratory, lithographer, manufacturers representative, oculist, optician or optometrist, osteopath, photographer, psychiatrist, psychologist, physician, real estate

broker, surgeon, surveyor, taxidermist, travel agency, veterinarian, or any similar business or occupation. (94-3 (part))

**4.16.050 Tax Category V--Wholesale, manufacturing, import-export, branch and management offices.**

Every person engaged in the business of selling goods, wares or merchandise at wholesale at a fixed place of business within the city, and every person engaged in the business of manufacturing, processing or fabricating goods, wares or merchandise, and every business defined as an import-export business, and every business defined as a branch or management office located within the city is a Tax Category V business. (94-3 (part))

**4.16.060 Tax Category VI--Retirement home, convalescent home, skilled nursing facility, residential or community care facility.**

Every person engaged in the business of conducting or maintaining for profit or nonprofit retirement home, convalescent home, skilled nursing facility, residential or community care facility, or apartment complex for the elderly located on and within the city is a Tax Category VI business. (94-3 (part))

**4.16.070 Tax Category VII--Contractors and real estate developers.**

Every person engaged in the business of a general contractor or specialty contractor, and every real estate developer, unless otherwise expressly provided in this title is a Tax Category VII business. Examples of such businesses include but are not limited to the following: air conditioning, electrical, general contractor, plumbing and heating, real estate developer, specialty contractors. (94-3 (part))

**4.16.080 Tax Category VIII--Rental of commercial property.**

Every person engaged in renting to a tenant, offices, stores, industrial plants or any building or structure of any kind (excluding dwellings, sleeping or lodging structures) on land located in the city unless otherwise expressly provided in this title is a Tax Category VIII business. (94-3 (part))

**4.16.090 Tax Category IX--Recreation centers, vending machine operations and entertainment machines.**

Every person engaged in operating a recreation center, a vending machine operation or making space available for game machines unless otherwise expressly provided in this title is a Tax Category IX business. Examples of recreation centers include but are not limited to the following: golf courses, tennis clubs and riding stables. (94-3 (part))

**4.16.100 Tax Category X--Utilities not franchised by the city.**

Every person engaged as a utility or otherwise in the distribution, transportation or transmission of electricity, gas, water or communication services that is not under a franchise agreement with the city is a Tax Category X business. (94-3 (part))

**4.16.110 Tax Category XI--TV program service providers not franchised by city.**

Every person engaged as a utility or otherwise in the distribution, transportation or transmission of TV program services that is not under a franchise agreement with the city is a Tax Category XI business. (94-3 (part))

**4.16.120 Tax Category XII--Flat or fixed rate classifications.**

Every person engaged in the following types of businesses is a Category XII business: ambulances, arts and crafts fair, bankruptcy and going out of business sale, bus companies, circus, carnivals, concerts, dances, delivery trucks, dumps, filming, peddling, refuse services, soliciting, taxicabs, theatrical performance, catering trucks, pushcarts, trade expos, itinerant business, isolated transactions. (94-3 (part))

## Chapter 4.18

### BUSINESS TAX RATES

#### Sections:

- 4.18.010 Tax Category I--Auto dealer, auto repair, service station and food stores.
- 4.18.020 Tax Category II--All other retail businesses.
- 4.18.030 Tax Category III--Services.
- 4.18.040 Tax Category IV--Professionals.
- 4.18.050 Tax Category V--Wholesale, manufacturing, import-export, branch and management offices.
- 4.18.060 Tax Category VI--Retirement home, convalescent home, residential or community care facility.
- 4.18.070 Tax Category VII--Contractors and real estate developers.
- 4.18.080 Tax Category VIII--Rental of commercial property.
- 4.18.090 Tax Category IX--Recreation centers, vending and entertainment machines.
- 4.18.100 Tax Category X--Utility not franchised by the city.
- 4.18.110 Tax Category XI--TV program service providers not franchised by the city.
- 4.18.120 Tax Category XII--Flat or fixed rates.
- 4.18.130 Indexing of flat taxes and of caps.

#### **4.18.010 Tax Category I--Auto dealer, auto repair, service station and food stores.**

Seventy dollars plus twenty-five cents per one thousand dollars of gross receipts in excess of five thousand dollars. (94-3 (part))

#### **4.18.020 Tax Category II--All other retail businesses.**

A tax of seventy dollars plus forty-one cents per one thousand dollars of gross receipts in excess of five thousand dollars. (94-3 (part))

#### **4.18.030 Tax Category III--Services.**

A tax of seventy dollars plus one dollar per one thousand dollars of gross receipts in excess of five thousand dollars. (94-3 (part))

#### **4.18.040 Tax Category IV--Professionals.**

A tax of seventy dollars plus one dollar and ten cents per thousand dollars of gross receipts in excess of five thousand dollars with a cap of two hundred fifty dollars for the first professional plus one hundred fifty dollars for each additional professional. (94-3 (part))

#### **4.18.050 Tax Category V--Wholesale, manufacturing, import-export, branch and management offices.**

A tax of seventy dollars plus three dollars and fifty cents for each partner exceeding one and three dollars and fifty cents for each employee. (94-3 (part))

#### **4.18.060 Tax Category VI--Retirement home, convalescent home, residential or community care facility.**

A tax of seventy dollars plus twenty-three dollars per bed or resident. (94-3 (part))

#### **4.18.070 Tax Category VII--Contractors and real estate developers.**

A tax of seventy dollars plus thirty cents per one thousand dollars gross receipts in excess of five thousand dollars. (94-3 (part))

#### **4.18.080 Tax Category VIII--Rental of commercial property.**

A tax of seventy dollars plus one dollar and ten cents per thousand dollars or gross receipts in excess of five thousand dollars. (94-3 (part))

**4.18.090 Tax Category IX--Recreation centers, vending and entertainment machines.**

A tax of seventy dollars plus one dollar and twenty-five cents per one thousand dollars of gross receipts in excess of five thousand dollars. In addition, businesses making space available for game machines, whether or not such business owns or leases the machine, shall pay an annual fee of fifty dollars for each game machine. (94-3 (part))

**4.18.100 Tax Category X--Utility not franchised by the city.**

A tax of seventy dollars plus forty-five cents per one thousand dollars gross receipts in excess of five thousand dollars. (94-3 (part))

**4.18.110 Tax Category XI--TV program service providers not franchised by the city.**

A tax of seventy dollars plus fifty dollars per thousand dollars of gross receipts in excess of five thousand dollars. (94-3 (part))

**4.18.120 Tax Category XII--Flat or fixed rates.**

Businesses which do not fit in above categories shall be taxed as follows:

- A. Ambulances--Sixty dollars per vehicle;
- B. Arts and crafts fair vendors, seventy-five cents per day for each vendor not already holding a tax certificate issued by the city covering the activity, provided that the arts and crafts fair organizer collects and transmits the fees on a monthly basis to the city pursuant to a written undertaking to do so. Otherwise, vendors shall be taxed as Category II businesses;
- C. Bankruptcy sales-- Thirty-five dollars and seventy-five cents per day;
- D. Buses--One hundred fifty dollars per company;
- E. Catering trucks--Eleven dollars and twenty-five cents per day up to a maximum of one hundred twelve dollars and fifty cents;
- F. Circuses and carnivals--Sixty dollars for the first day and an additional fifteen dollars for each additional day;
- G. Concerts and dances--Seventy-five dollars for the first day and thirty-two dollars and fifty cents for each additional day;
- H. Deliveries--Sixty dollars per vehicle or seven dollars and fifty cents per year if gross receipts are less than five hundred dollars;
- I. Dump--Two thousand seven hundred dollars;
- J. Isolated transactions--Twenty-two dollars and fifty cents per day;
- K. Itinerant merchant--Twenty-two dollars and fifty cents per day;
- L. Motion picture and television filming--Three hundred dollars per day;
- M. Peddlers--Eleven dollars and twenty-five cents per day up to a maximum of one hundred twenty dollars;
- N. Pushcarts--Eleven dollars and twenty-five cents per day up to a maximum of one hundred twenty dollars;
- O. Solicitors--Eleven dollars and twenty-five cents per day up to a maximum of one hundred twelve dollars and fifty cents;
- P. Taxi cabs--One hundred fifty dollars per company;
- Q. Theatrical performances--Seventy-five dollars plus an additional thirty-seven dollars and fifty cents for each additional day;
- R. Utility, franchised--One hundred eighty-seven dollars and fifty cents per company. (94-3 (part))

**4.18.130 Indexing of flat taxes and of caps.**

All flat or fixed rate taxes and caps shall be increased or decreased, to the nearest penny, annually, based upon the Los Angeles-Anaheim-Riverside area consumer price index for the twelve-month period of January through December of the prior calendar year. This increase or decrease will become effective with renewals and new business tax certificates issued after April 1st of each year, commencing April 1, 1995. (94-3 (part))