

# CITY OF SAN DIEGO

## OFFICIAL BUSINESS TAX APPLICATION

Congratulations on taking one of the first steps to starting your new business in the City of San Diego! All businesses operating in the City of San Diego are required to register with the Business Tax Program no later than 15 days from the business start date to avoid late fees. This includes home-based businesses, self-employed persons and independent contractors. The City's Business Tax is imposed solely to raise revenue and is not intended for the purpose of regulation. Revenue raised goes to the City's General Fund which provides Police and Fire protection, street maintenance, and other City services.

### **RATES**

The annual fee for the Business Tax Certificate is based on number of employees:

- \$34.00 for a business with twelve (12) employees or fewer.
- \$125.00 plus \$5.00 per employee for a business with thirteen (13) employees or more.

All businesses located in the City limits of San Diego will be charged a one-time \$17.00 fee for Zoning Use Clearance (ZUC) upon initial application. This fee will also be assessed when you file a change of location or change of business activity with this office.

On September 19, 2012, Governor Brown signed Senate Bill 1186 (SB 1186) into law. SB 1186 is intended to increase disability access, encourage compliance with construction-related accessibility requirements, develop education resources for businesses, and facilitate compliance with Federal and State disability laws. Beginning January 1, 2013, and until December 31, 2018, cities and counties are required to collect a State mandated fee of \$1.00 from "any applicant for a local business license or equivalent instrument or permit, and from any applicant for the renewal of a business license or equivalent instrument or permit."

The City is required by law to inform you of the following:

Under Federal and State law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

- The Division of the State Architect at [www.dgs.ca.gov/dsa/Home.aspx](http://www.dgs.ca.gov/dsa/Home.aspx)
- The Department of Rehabilitation at [www.rehab.cahwnet.gov](http://www.rehab.cahwnet.gov)
- The California Commission on Disability Access at [www.cdda.ca.gov](http://www.cdda.ca.gov)

All checks should be made payable to the "City Treasurer".

**Late Fees:** Businesses that fail to pay the tax within 15 days from the business start date will be assessed a late fee of \$25.00 or 10% of the amount owed, whichever is greater. Beginning one calendar month from the due date of the Business Tax, a penalty of 1% per month will be added to any past due business taxes and late fees.

**Surcharges:** In addition to the penalties for delinquent payment, all businesses found to be operating without having a valid Business Tax Certificate will pay a surcharge of \$68.00 for small businesses (12 employees or fewer) or \$250.00 for large businesses (13 employees or more).

The City Treasurer bills retroactively for up to three (3) years with late fees applicable to each year.

### **BUSINESS IMPROVEMENT DISTRICT FEES**

If your business is located in a Business Improvement District (BID), you may be subject to additional fees. BIDs are authorized by State law to assess benefited businesses for the cost of certain improvement activities. Questions about BIDs should be directed to the BID Council Office at (619) 239-2437 or via email at [mail@bidcouncil.org](mailto:mail@bidcouncil.org).

## **FILING YOUR BUSINESS TAX APPLICATION**

Complete all sections of the application. Be sure the information you include is accurate and legible. Information you include in your application is public information. However, residence addresses and phone numbers, Social Security numbers and Federal Tax Identification Numbers are not released to the public without a subpoena.

A minimum payment of \$52 (for businesses located in the City) and \$35 (for businesses located outside the City) should be submitted with the application. You will be notified by mail if additional taxes or fees are due. **Business Tax Certificates will not be released until all fees have been paid in full.**

### **Business Addresses/Location**

A Business Tax Certificate is required for each business location/address in the City of San Diego (SDMC §31.0130). If you have multiple physical locations where you do business within the City of San Diego, you will need to have a Business Tax Certificate for each location/address where you conduct business. Zoning approval is determined only for the location listed on the application. It is the responsibility of the certificate holder to notify the City Treasurer in writing of any changes to the business location, and to submit the \$17.00 Zoning Use Clearance fee. If you add a new business location (in addition to an existing location), a separate application and Business Tax Certificate is required.

### **Post Office Box**

A Post Office Box (excluding mail drop services) is not accepted for the business location or residence address. Business and residence addresses must include street number, street name, apartment or suite number (if applicable), City, State and zip code. A Post Office Box may be used only for the mailing address.

### **Number of Employees**

For a new business, the number of persons to be employed may be estimated, and is subject to subsequent verification by the City Treasurer or duly authorized City employees (SDMC §31.0140). SDMC §31.0301 defines an employee as anyone that works ten (10) hours or more per week. Owners of a business are not considered employees; however, paid officers of a corporation are considered employees.

For existing businesses the employee count can be computed using either of the following methodologies:

- The average number of employees employed over a twelve (12) month period (SDMC §31.0301(a))
- The number of persons appearing on payroll immediately prior to the certificate expiration date (SDMC §31.0140(e)(2))

## **POLICE REGULATED BUSINESSES**

Certain types of business activities are regulated by the San Diego Police Department and require a Police Permit. For additional information visit [www.sandiego.gov/police](http://www.sandiego.gov/police) or call (619) 531-2250.

## **SAN DIEGO OFFICE OF SMALL BUSINESS**

The City of San Diego's Office of Small Business is a resource center for owners of small businesses. They are available to assist in various start-up procedures and can be reached at (619) 236-6505 or via email at [sdbusiness@sandiego.gov](mailto:sdbusiness@sandiego.gov).

For additional information visit [www.sandiego.gov/treasurer/taxesfees/btax/index.shtml](http://www.sandiego.gov/treasurer/taxesfees/btax/index.shtml) or contact the Business Tax Program at (619) 615-1500.

**We Wish You Success!**