



Finance Department

CITY OF CULVER CITY
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GENERAL INSTRUCTIONS FOR YOUR 2017 BUSINESS TAX RENEWAL NOTICE

- For step-by-step **instructions** on how to renew your business tax renewal notice online and **make a payment, please visit the website: www.culvercityselfservice.org/paybl**. We accept **American Express, MasterCard and Visa**. Paying online can reduce the processing time of your Business Tax Renewal, and speed up the receipt of your Business Tax Certificate. If you are renewing online, please email the supporting documents to business.license@culvercity.org or mail them to the Business Tax Division to complete the renewal process.
- If you've **moved, changed the business name, ownership, or type of ownership (i.e. Corp. LLC, etc.), or you've made any changes to the business entity** relative to the information previously submitted by the business owner on the "Application For Business Tax Certificate", you must submit a new application with your renewal notice and payment. Call (310) 253-5870 or email to request an application form. You may also download the application from the City's website at <http://www.culvercity.org/work/how-do-i/apply-for-a-business-tax-certificate> (**Businesses with a Culver City address must apply in person.**)
- If you do **not** plan to operate your business in Culver City after **December 31, 2016**, please call the Business Tax Office at (310) 253-5870 to determine if any taxes are due. Please indicate on your Renewal Notice the date you ceased or will cease doing business in Culver City. The Renewal Notice is required to be signed and returned to the Business Tax Office to avoid possible penalties. Please provide your new mailing address and phone number.
- **To avoid a late payment penalty, your payment must be postmarked on or before February 28, 2017.** Private postage meter postmarks will not be accepted. As required by the Municipal Code, a **20%** late payment penalty will be added to the **subtotal amount due** on **Wednesday, March 1, 2017**, and an additional **20%** penalty will be added on the first day of each subsequent month until paid, or up to **100%** of the total amount due.
- **The Business Tax Renewal Notice must be completed & signed by the business owner or an authorized officer/agent of the business.**
- **State Mandated Disability Access and Education Revolving Fund:** On September 19, 2012 Governor Brown signed into law SB-1186 which adds a state fee of \$1.00 on any applicant for a local business or similar instrument or permit, or renewal thereof. The purpose is to increase disability access and compliance with construction-related accessibility requirements and to develop educational resources for business in order to facilitate compliance with federal and state disability laws, as specified. **All in-city and out of city businesses** including rentals and contractors are subject to the \$1.00 SB-1186 State Mandated Fee. 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:
 - (a) The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx
 - (b) The Department of Rehabilitation at www.rehab.cahwnet.gov
 - (c) The California Commission on Disability Access at www.ccda.ca.gov.
- **Partial Payments:** If a partial payment is received, we will **first** apply it to the State Mandated Disability Access and Education Revolving Fund, Tobacco Retailer License Fee, and any Prior Balances, followed by the Renewal fee, Fire Inspection Fee, Penalties and Taxes.
- **Fire Inspection Fees:** When applicable, fire inspection fees are shown on your renewal form. For additional details please call Fire Department at (310) 253-5925.
- **Please refer to your Renewal Notice for any additional instructions specific to your business activity.**

BASIS FOR COMPUTING YOUR BUSINESS TAX:

Section 11.01.210-225 of the Culver City Municipal Code requires that businesses which are taxed on the basis of gross receipts shall pay tax based on the HIGHER of either the gross receipts OR the cost of operations and that businesses shall provide a verified statement of gross receipts OR cost of operations as the basis for computing their tax obligation. Declarations of cost of operations and gross receipts are subject to verification by audit.

If you are an IN-CITY BUSINESS and your cost of operations are higher than the gross receipts, then enter the cost of operation in **Line D** on the Business Tax Worksheet provided on the back of the renewal notice and complete, sign, and submit the Cost of Operation worksheet. The renewal form will be deemed incomplete if this worksheet is not fully completed and signed. Late payment penalties may apply if the worksheet is submitted late. The Cost of Operations worksheet can be downloaded from www.culvercityselfservice.org/paybl or from the Business Tax Office.

All other businesses must report their total gross receipts for the year, and pay taxes according to their tax obligation.

WHAT ARE GROSS RECEIPTS?

Gross receipts are the total income of the business **without any deductions**, whether or not a profit is made. Gross receipts are **not** profit. Gross receipts are **not** net of costs.

Gross receipts include:

- Total sales price of all sales.
- Total amount charged or received for any act or service of any kind including any rental, lease, lease consideration, exchange of value or values, or considerations for the leasing, renting, bailing or otherwise authorizing, permitting or contracting for the use, possession, enjoyment or right to use, control, possess or enjoy, 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.
- Included in gross receipts are all receipts, cash credits and property of any kind, with **no deductions** for the cost of the property sold, the cost of the material used, labor or service cost, interest paid or payable, or losses or any other expenses whatsoever.

WHAT IS EXCLUDED FROM GROSS RECEIPTS?

Excluded from gross receipts are:

- Cash discounts allowed and taken on sales.
- Credit allowed and taken on sales.
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser, such as sales tax or transient occupancy tax.
- Amount of sales price returned on refunds or credits on returns.

CAN BUSINESS TAXES PAID TO OTHER JURISDICTIONS BE DEDUCTED?

- The amount of gross receipts used as a measure of business tax paid to another jurisdiction may be deducted from the declaration of gross receipts **provided that** a copy of the completed tax form, with all its pages, and proof of payment for each city are attached to the worksheet. If the tax forms and proof of payment are not attached to the worksheet, the deduction will **not** be allowed, and late payment penalties will apply on the unpaid tax.
- Tax paid to another jurisdiction on any basis other than gross receipts is **not** deductible.
- Application fees, renewal fees, vehicle fees and all other types of fees paid to another jurisdiction are **not** deductible.

WHAT ARE COST OF OPERATIONS?

Cost of operations includes all costs of maintaining and operating a business, whether or not a profit is made. Cost of operations includes, but is not limited to, rent and/or depreciation, wages and salaries, fixed charges, cost of goods sold, and all other expenses of the business. **The cost of operations worksheet is available at www.culvercityselfservice.org/paybl.**

Need help? Call (310) 253-5870 during office hours: 7:30 a.m. - 5:30 p.m., weekdays.

Email: business.license@culvercity.org

Note: City Hall offices will be closed alternate Fridays starting January 6, and the following Holidays in 2017:
January 2, January 16, May 29, July 4, September 4, November 23 & 24, and December 25.