



CITY OF EMERYVILLE
Finance Department
1333 Park Avenue Emeryville, CA 94608

August 2, 2004

Subject: Residential Landlord Business Licensing Tax Program

Property Address:
Parcel Number(s):

Dear Property Owner:

The Emeryville Business License Tax Ordinance, adopted in 1985, requires all businesses pay a tax on gross receipts from business activities engaged in within city limits. Commercial landlords have paid this business license tax since the ordinance was adopted. Because residential landlords generate similar revenue from property rentals, they are also required to pay an annual business license tax. Therefore, pursuant to the City of Emeryville's Municipal Code all residential landlords are required to obtain a business license and pay the appropriate business license tax on their rental properties.

Public records indicate that you are the owner of residential property at the address listed above. An explanation of the program, instructions for payment and the required forms are enclosed your reference.

The following are relevant sections of the Emeryville Municipal Code regarding business license tax requirements for residential landlords:

Emeryville's Municipal Code, Section 3-1.101 states: *it shall be unlawful for any person, either for himself, or for any other person, to commence on any business taxed pursuant to this article in the City of Emeryville, without having procured a business tax certificate from said City and the carrying on of any business without first having procured a certificate from said City.*

Section 3-1.102 of the Municipal Code defines "business" as including; *all activities engaged in or caused to be engaged in within this City with the object of gain, benefit or advantage, whether direct or indirect, to the taxpayer or to another or to others, but shall not include the services rendered by an employee to his business activities, each such activities shall be considered to be a business engaged within the meaning of this article.*

Your property was identified (1) if it is a multi unit residence; (2) if the property address and mailing address are different; (3) if you are not claiming a homeowner's tax exemption; or (4) if you are claiming a homeowner's tax exemption and there is a different mailing address for the property.

If no portion of your property is rented or leased, complete the "Non Rental/Owner Property Declaration" form (included in packet). If you are no longer the property owner identified in this package, complete the enclosed "Non-Owner Declaration Form."



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Filing Instructions

- ◆ Complete and sign the enclosed Residential Landlord Business License Application form.
- ◆ Compute the taxes due using the instructions below (Tax Rate Computation).
- ◆ Once you have calculated the tax, please add an additional (one-time) \$50 administrative fee necessary for all new business licenses.(Emeryville Municipal Code Section 3-1.109)

Tax Rate Computation

The tax rate for businesses is 0.08% (.0008) per calendar year on the gross receipts earned during the prior year (Emeryville Municipal Code Section 3-1.124). The minimum tax is twenty-five dollars (\$25.00) per year. For the first year of the program, returns filed by November 1, 2004 will result in a Business License Certificate valid through December 31, 2005.

Your next annual payment will not be due until March 1, 2006, and will be based on gross receipts for 2005. Thereafter, taxes will be due annually.

Payment Due Date

Payment is due by 5 pm October 29, 2004. Included in this package are all of the appropriate forms for filing your business license tax. This tax is calculated on your gross receipts for the previous year (2003). Following are instructions for renewing your Business License Tax. **To avoid penalty and late fee charges, your payment must be received in the Business License office by 5 pm October 29, 2004.**

Annual Business License Renewal

Business Licenses must be renewed annually. As a courtesy, the City of Emeryville mails out renewal packets at the beginning of each calendar year. Per Section 3-1.118 of the Business License Ordinance, the Finance Department is not required to send a renewal, and failure to send such renewal shall not affect the validity of any tax or penalty due under the provisions of this article. Any renewal return not postmarked by March 1st will be considered delinquent and subject to penalties and interest outlined below.

Late Payment Penalties and Interest

The penalty rate is 5% per month with a maximum rate of 25% of the taxable amount. The interest on delinquent accounts is 1.5% on the total outstanding balance (tax + penalty) with no cap.

For Assistance

For assistance completing the Business License Application, to obtain a copy of the application, for help with tax rate calculations, or other general questions, call the Business License Office between the hours of 9 am and 5 pm Monday through Friday at (510) 596-3790 or (510) 596-4325. You can also visit the City of Emeryville's web site www.ci.emeryville.ca.us > City Departments > Finance Department > Business Licenses. Thank you in advance for your cooperation and participation in the Residential Landlord Business License program. Your continued support will help ensure that the City of Emeryville can continue to provide the best services possible and a high quality of life for years to come for all of its residents and business community.

Sincerely,

Pamela Cagler,
Senior Accountant

Enclosures: Residential Landlord Business License Application
Non-Owner Declaration
Non-Rental Property Declaration