

City of West Hollywood
 8300 Santa Monica Boulevard
 West Hollywood, CA 90069-4314



GROUP I
City of West Hollywood
2017
Business Tax
Instructions
Payment Deadline:
May 1, 2018

**Renew your Business
 Tax Certificate Online:**
blt.weho.org
**Use the PIN# on
 Your renewal form**

Dear Business Owner:

If your business operated in the City of West Hollywood ***at any time*** during calendar year 2017 (January through December), you are required to file a 2017 Business Tax form and pay all computed taxes. This booklet is designed to quickly direct you to the information you need to complete the form. In addition, a 24-hour telephone message hotline is available for business owners to leave questions in regards to preparing the form. All messages will be returned the following business day.

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THIS PAMPHLET IS INTENDED AS A GENERAL GUIDE FOR THE FILING OF A BUSINESS TAX FORM IN ORDER TO OBTAIN A BUSINESS TAX CERTIFICATE. IT IS NOT INTENDED TO MAKE A BUSINESS OWNER AWARE OF ALL CITY, COUNTY, STATE OR FEDERAL REGULATIONS

BUSINESS TAX RENEWAL GENERAL INFORMATION

This instruction pamphlet is intended as a general guide for the filling of your 2017 business taxes in order to obtain a current Business Tax Certificate. Your business tax is based on business transacted in the City of West Hollywood during the calendar year 2017. **Your business tax payment is due no later than May 1, 2018, and can be filed three different ways:**

1. Your business tax can be reported and paid online via credit or debit card at: **blt.weho.org**; in order to use the online system you will need the pin number from your renewal form.
2. You may complete the paper renewal form mailed to you and send the completed form and payment (check) to the City in the envelope provided with the renewal form.
3. You may complete the paper renewal form mailed to you and return it to the cashier's window at City Hall, and pay via cash, check, debt card, or credit card.

The expiration date on each tax certificate is February 1st of each year; however, renewed business tax certificates are not required until May 1, 2018 (the tax payment deadline).

Failure to pay your business tax by May 1, 2018, will result in additional penalties of up to 50% of the tax due. Failure to pay your business tax may also result in a \$250 administrative citation being issued to your business, your business being referred to the City's collection agency, and/or the denial of discretionary City permits (such as special event permits, encroachment permits, parking permits, and business regulatory licenses).

The City's business tax was enacted to raise revenue for general purposes. Revenues that are raised help to pay for City services such as public safety, infrastructure, social services, economic development, and other City services.

The payment of business tax, its acceptance by the City, and the issuance of a business tax certificate does not entitle the holder to conduct any business unless the business is conducted in compliance with all applicable laws and zoning requirements.

The information in this pamphlet is not intended to make a business owner aware of all city, county, state or federal regulations. Any omissions or errors in this pamphlet do not excuse or relieve business owners of their responsibilities or liabilities connected with conducting business in the City of West Hollywood.

BUSINESS CLASSIFICATIONS

Your business tax renewal form shows which group your business is categorized in. This is the instruction pamphlet for Group I, if your business is not in Group I, see the appropriate pamphlet. Group I businesses are taxed at a rate of \$0.48 per \$1,000 of Gross Receipts. If your category changed during the year, please contact our office immediately for further instructions at (323) 848-6554.

Group I businesses include:

1. **Manufacturers**
2. **Wholesalers**
3. **Retailers** (including):

Christmas Tree Vendors	Operators of Vending Machines	Pharmacies	News Dealers
Farmers' Markets	Pawnbrokers	Restaurants	
Gasoline Retailers	Peddlers or Itinerant Vendors	Retail Stores	

4. **Neighborhood Service Business**

Defined as a business that operates from a fixed location of no more than 1,200 square feet, offers services primarily to the general public and not primarily to corporate entities, and engages in one of the following business services:

Beauty and Barber Shops	Upholstery and Furniture Repair	Shoe Shine or Repair
Coin-operated Laundries	Garment and Laundry Cleaning Services	Dry Cleaning
Photographic Portrait Services	Consumer Electronic Repair including TVs & Radios	

If your business is over 1,200 square feet your category would be classified as a Group III, please contact our office for further instructions and a new form at (323)848-6554.

EFFECTIVE DATES

1. **Business Tax Year**
The Business Tax is based upon business conducted within the City of West Hollywood during the calendar year 2017 (January 1 through December 31).
2. **Due Dates**
The Business Tax may be paid as early as February 1, 2018. Payment is due no later than May 1, 2018. Payments received after this date are delinquent and are subject to penalties as follows:

From	To	Penalty	Interest
May 2, 2018	May 31, 2018	15% of Tax	None
June 1, 2018	June 30, 2018	30% of Tax	None
July 1, 2018	July 31, 2018	45 % of Tax	None
August 1, 2018	After	50% of Tax	1/2% per month

3. **Payment Receipt Date**
If payments are mailed, the U.S. Postal Service postmark on the envelope in which payment is received will be considered the date of receipt. All other payments will be issued dated receipts.

DISPLAY OF CERTIFICATES

After the payment of your Business Tax you will receive a Business Tax Certificate. Businesses with fixed locations shall display the Business Tax Certificate in a place which is visible to the public. Certificates issued for businesses which are not conducted at a fixed location shall be carried by the responsible party while conducting business in the City of West Hollywood. If business is conducted within the City through several individuals, duplicate Certificates issued by the City shall be carried by each individual conducting business. Tax Certificates are issued for a maximum one year period. Each Business Tax Certificate expires on January 31 of the year following issuance. Tax Certificates are to be displayed until receipt of the following year's certificate.

CHANGE OF ADDRESS

Businesses shall report, in writing, any changes of address to the Revenue Management Division of the City of West Hollywood. All notices required to be given to businesses regarding the Business Tax are considered to be received if mailed to the most recent address on record.

NON-TRANSFERABILITY

Business Tax Certificates are not transferable. If a business is sold or transferred, the new owner is required to apply for a new Business Tax Certificate. Whenever an existing business is sold or quits operation, a Business Tax Return shall be filed and all taxes shall be paid.

NEW OWNERS - 2017

Proprietors who took ownership of a business in 2017 are required to complete an **initial business tax registration form**, pay a fee of \$29 and pay taxes for that portion of 2017 in which the business was under new ownership. Please contact our office immediately and request an initial tax registration form at (323) 848-6554.

OUT OF BUSINESS - FINAL TAX

**WEST HOLLYWOOD
BUSINESS TAX**

If your business dissolved, relocated out of West Hollywood, was sold or changed ownership under any other condition at any time during 2017, you are required to pay a **final tax** for the period of time business was conducted in 2017. Complete the form enclosed being certain to indicate the change in the business status by putting the close date in the top right hand corner under 'Closing Your Business?' and signing below the date.

BUSINESS TAX HOTLINE

The City has established a 24-hour message hotline number for the Business Tax. Call (323) 848-6554 to leave messages concerning questions regarding the City tax program. Calls will be returned the following business day.

INSTRUCTIONS

LINE 1: GROSS RECEIPTS

Enter Gross Receipts resulting from activities within the City of West Hollywood in calendar year 2017.

Gross Receipts are defined as total amounts received or receivable in a calendar year from sales of merchandise and the performance of acts or services for which a charge is made or credit is allowed. Items included as Gross Receipts include cash receipts, credits allowed, and property received. Items excluded as Gross Receipts are listed in Line B of the worksheet below.

The following worksheet is included for the computation of Gross Receipts resulting from business conducted within the City of West Hollywood. A copy of this worksheet should be retained for your business records.

Line A:	Total Gross Receipts from 1-1-17 to 12-31-17	
	Exclusions (only if included in Line A above).	
1.	Bad debts (if amounts were reported as Gross Receipts in 2014, 2015 and 2016).	
2.	Cash or jobber discounts.	
3.	Passive income including interest on investments and dividends.	
4.	Refundable Deposits.	
5.	Sales Returns.	
6.	Taxes collected from a consumer and paid to a governmental agency (sales and use taxes, gas taxes, transient occupancy taxes).	
7.	Alcoholic Beverage Sales.	
8.	Goods shipped out of state.	
Line B:	Total of 1 through 8	
Gross Receipts attributable to business conducted outside of West Hollywood		
	City	#
		Gross Receipts
1.		
2.		
Line C:	Total of 1 & 2 (Gross Receipts Outside of West Hollywood):	
Line D:	Total of Line B and Line C (Total Deductions):	
Line E:	Net Gross Receipts: Line A minus Line D.	
	ENTER THIS AMOUNT ON LINE 1	

NOTE: If Gross Receipts are less than \$5,000,000, you may also refer to alternate business tax election (Page 6).

LINE 2: NEW BUSINESS CREDITS

This section applies only to businesses whose first day of operations in the City of West Hollywood was on or after February 1, 2015. For businesses that started before this date, this section is not applicable.

The City of West Hollywood provides reduced tax rates for businesses in their first two years of operations within the City. New business credits are available only for businesses with operations based at fixed locations within the City of West Hollywood. Additionally, new business credits are available for new business startups and relocations to the City but are not applicable upon changes of ownership. Gross Receipts earned in the first 12 months of operations are not subject to the Business Tax, while Gross Receipts earned in the second 12 months of operations are taxed at one-half (50%) of the normal rate. To determine the amount of Gross Receipts that qualify for the reduced tax rates, please complete the following steps, you will also need to complete Schedule A on page 8:

1. Refer to the table on page 5. In Column I, locate the month and year that business operations commenced in West Hollywood.
2. In Column II, find the date range next to the row representing your first month of business in Column I. On Line 2A of Schedule A (page 8) enter the Gross Receipts earned in the City of West Hollywood during these dates. This amount represents the Gross Receipts that were earned in the first 12 months of business. These Gross Receipts are not subject to the Business Tax.
3. In Column III, find the date range across from the row representing your first month of business in Column I. On Line 2B of Schedule A (page 8) enter the Gross Receipts earned in the City of West Hollywood during these dates. This amount represents the Gross Receipts that were earned in the second 12 months of business. These Gross Receipts are taxed at 50% of the normal rate.
4. Complete the remainder of this section by following the instructions on the form. (Note: Minimum tax is due if gross receipts are zero.)

**WEST HOLLYWOOD
BUSINESS TAX**

Gross Receipts Not
Subject to Tax

Gross Receipts Subject
to 50% of Regular Tax

Column I	Column II	Column III
FIRST BUSINESS MONTH	ENTER GROSS RECEIPTS INCURRED IN THE MONTHS OF	ENTER GROSS RECEIPTS INCURRED IN THE MONTHS OF
Jan. 2015 and earlier	N/A	N/A
Feb. 2015	N/A	Jan. 2017
Mar. 2015	N/A	Jan. to Feb. 2017
Apr. 2015	N/A	Jan. to Mar 2017
May 2015	N/A	Jan. to Apr 2017
June 2015	N/A	Jan. to May 2017
July 2015	N/A	Jan. to June 2017
Aug. 2015	N/A	Jan. to July 2017
Sept.2015	N/A	Jan. to Aug. 2017
Oct. 2015	N/A	Jan. to Sept. 2017
Nov. 2015	N/A	Jan. to Oct. 2017
Dec. 2015	N/A	Jan. to Nov. 2017
Jan. 2016	N/A	Jan. to Dec. 2017
Feb. 2016	Jan. 2017	Feb. to Dec. 2017
Mar. 2016	Jan. to Feb. 2017	Mar. to Dec. 2017
Apr. 2016	Jan. to Mar. 2017	Apr. to Dec. 2017
May 2016	Jan. to Apr. 2017	May to Dec. 2017
June 2016	Jan. to May 2017	June to Dec. 2017
July 2016	Jan. to June 2017	July to Dec. 2017
Aug. 2016	Jan. to July 2017	Aug. to Dec. 2017
Sept. 2016	Jan. to Aug. 2017	Sept. to Dec. 2017
Oct. 2016	Jan. to Sept.2017	Oct. to Dec. 2017
Nov. 2016	Jan. to Oct. 2017	Nov. to Dec. 2017
Dec. 2016	Jan. to Nov.2017	Dec. 2017
Jan. 2017	Jan. to Dec. 2017	N/A
Feb. 2017	Feb. to Dec. 2017	N/A
Mar. 2017	Mar. to Dec. 2017	N/A
Apr. 2017	Apr. to Dec. 2017	N/A
May 2017	May to Dec. 2017	N/A
June 2017	June to Dec. 2017	N/A
July 2017	July to Dec. 2017	N/A
Aug. 2017	Aug. to Dec. 2017	N/A
Sept.2017	Sept. to Dec.2017	N/A
Oct. 2017	Oct. to Dec. 2017	N/A
Nov. 2017	Nov. to Dec. 2017	N/A
Dec. 2017	Dec. 2017	N/A

LINES 3 THROUGH 8

Follow instructions on forms. (Note: Minimum tax is due if gross receipts are zero.)

LINE 9: PENALTIES

If payment is made after May 1, 2018 penalties are assessed as follows:

PAYMENTS RECEIVED

From	To	Penalty	Interest
May 2, 2018	May 31, 2018	15% of Tax	None
June 1, 2018	June 30, 2018	30% of Tax	None
July 1, 2018	July 31, 2018	45 % of Tax	None
August 1, 2018	After	50% of Tax	1/2% per month

LINE 10: INTEREST

If payment is made after July 31, 2018, interest is assessed (**IN ADDITION TO PENALTIES**) as follows: One-half of one percent (1/2%) per month, or portion of a month, until tax is paid.

LINE 11: SB 1186 STATE MANDATED FEE

On September 19, 2012, Governor Jerry Brown signed Senate Bill (SB) 1186 which implemented a \$1.00 State mandated fee from all local businesses effective January 1, 2013. Senate Bill (SB) 1379 increased the State Disability fee to \$4.00 effective January 1, 2018. The primary intent of SB 1186, as amended by SB 1379, is to increase disability access, compliance with construction related accessibility requirements, and to develop educational resources for business in order to facilitate compliance with Federal and State disability laws. This fee is applicable to all local businesses including rental properties, home-based businesses, contractors, exempt businesses, and non-profits. In line 11 please include \$4.00 for this State mandated fee.

LINE 12: TOTAL AMOUNT DUE

Check the "previous balance" box located above line one. Any amount in this box should be added to the total amount due. A Business Tax certificate will not be issued until your record is current and paid.

ALTERNATE BUSINESS TAX ELECTION

Businesses with less than \$5,000,000 in Gross Receipts in calendar year 2017 have the option of paying the Business Tax based upon the Alternate Business Tax table (Appendix A). This election allows qualifying businesses to calculate the tax without reporting the exact amount of Gross Receipts incurred in calendar year 2017.

If your business elects to utilize the Alternate Business Tax option, the following steps must be completed:

- A. Circle "Yes" at the Alternate Business Tax election box.
- B. Determine Gross Receipts per Line 1 instructions and refer to Appendix A. Report the lower end of the applicable range of Gross Receipts at Line 1. For example, if Gross Receipts are \$550,000 enter \$500,001 since this is the lower end of the applicable range of \$500,001 to \$600,000.
- C. Enter the tax that corresponds to the range of Gross Receipts at Line 6. For example, if \$500,001 is entered at Line 1 the tax is \$288.
- D. If the tax is paid after May 1, 2018, refer to Line 9 of the renewal form and the Payments Received table above.

APPENDIX A

GROUP I -- ALTERNATE BUSINESS TAX TABLE

FROM	GROSS RECEIPTS	TO	TAX
\$0		\$50,000	\$24
50,001		100,000	48
100,001		150,000	72
150,001		200,000	96
200,001		300,000	144
300,001		400,000	192
400,001		500,000	240
500,001		600,000	288
600,001		700,000	336
700,001		800,000	384
800,001		900,000	432
900,001		1,000,000	480
1,000,001		1,100,000	528
1,100,001		1,200,000	576
1,200,001		1,300,000	624
1,300,001		1,400,000	672
1,400,001		1,500,000	720
1,500,001		1,600,000	768
1,600,001		1,700,000	816
1,700,001		1,800,000	864
1,800,001		1,900,000	912
1,900,001		2,000,000	960
2,000,001		2,100,000	1,008
2,100,001		2,200,000	1,056
2,200,001		2,300,000	1,104
2,300,001		2,400,000	1,152
2,400,001		2,500,000	1,200
2,500,001		2,600,000	1,248
2,600,001		2,700,000	1,296
2,700,001		2,800,000	1,344
2,800,001		2,900,000	1,392
2,900,001		3,000,000	1,440
3,000,001		3,100,000	1,488
3,100,001		3,200,000	1,536
3,200,001		3,300,000	1,584
3,300,001		3,400,000	1,632
3,400,001		3,500,000	1,680
3,500,001		3,600,000	1,728
3,600,001		3,700,000	1,776
3,700,001		3,800,000	1,824
3,800,001		3,900,000	1,872
3,900,001		4,000,000	1,920
4,000,001		4,100,000	1,968
4,100,001		4,200,000	2,016
4,200,001		4,300,000	2,064
4,300,001		4,400,000	2,112
4,400,001		4,500,000	2,160
4,500,001		4,600,000	2,208
4,600,001		4,700,000	2,256
4,700,001		4,800,000	2,304
4,800,001		4,900,000	2,352
4,900,001		5,000,000	2,400

**WEST HOLLYWOOD
BUSINESS TAX**

5,000,001

& ABOVE

* MUST COMPUTE TAX USING
EXACT AMOUNT

Enter Business number

→

SCHEDULE A

NEW BUSINESS CREDITS: To be returned if your business is claiming new business credits.

NOTE: This section applies only to businesses whose first day of operations in the City of West Hollywood was on or after February 1, 2015. For businesses that started before this date, this is not applicable. Please refer to the instructions on page 4 & 5.

LINE 2A: GROSS RECEIPTS PER COLUMN II, PAGE 5.		
LINE 2B: GROSS RECEIPTS PER COLUMN III, PAGE 5.		
LINE 2C: (Line 2B x 50%)		
TOTAL NEW BUSINESS CREDITS (add Lines 2A & 2C, enter on Line 2 of form)		

If you are claiming new business credits, please return this page along with form and payment in the enclosed return envelope.

Please make sure you have entered your business number in the box above.