

CITY OF BEVERLY HILLS BUSINESS TAX REGISTRATION AND FEES

The City of Beverly Hills requires all businesses operating in Beverly Hills to register their business and obtain a valid registration certificate from the Department of Finance Administration. The Business Tax Year is the calendar year, January 1 through December 31.

NEWLY ESTABLISHED BUSINESSES are required to pay the Business Tax in advance (within 30 days from the business starting date). Certain businesses pay a tax based on gross receipts (which is confidential and not subject to public review). Certain types of businesses, such as personal services and professions, pay a tax based on the number of employee hours.

When a business tax is to be paid based on gross receipts, the business pays an estimated fee (no lower than the minimum) when it begins operation. At renewal time, an adjustment is made based on actual gross receipts applicable to the first year of operation.

The Business Tax renewal on a second year business is based upon the annualized first year's gross receipts. Thereafter, each renewal will be based on gross receipts from the previous calendar year.

RENEWAL FILING payments are due on January 1 of each year. Renewal notices are mailed out by the first week of December. If you change your business mailing address, you must notify the Department of Finance Administration in writing within 30 days. A penalty equivalent to 10% of the payment due applies to all delinquent accounts unpaid after January 31 of each year, with an additional penalty of 10% levied for each month or a portion thereof that the payment remains outstanding. In addition to the penalties imposed, any person who fails to pay the tax required shall pay interest at the rate of 1.5% per month, or a portion thereof on the amount of the tax, exclusive of penalties. Penalties and interest merge with the tax and become a part of the tax for all business taxes received by mail, a United States postmark on the envelope will serve as the receipt date of the taxes.

SEPARATE REGISTRATION FOR EACH PLACE OF BUSINESS AND ACTIVITY is required for each branch establishment or place of business activity operated in Beverly Hills. Registration certificates are non-transferable.

COMPLIANCE WITH OTHER RULES AND REGULATIONS may require certain types of businesses to obtain special regulatory permits issued by the Department of Finance Administration. The business tax certificate is issued for tax purposes only. Businesses may also be subject to regulations by other City departments.

CHARITABLE AND NON-PROFIT ORGANIZATIONS may be exempt from paying the business tax. A non-profit corporation or organization, which is carried on wholly for the benefit of non-profit purposes and from which profit is not derived, either directly or indirectly, is exempt. Even if you feel you are exempt from paying the business tax, you must register your business to ensure you meet other City requirements.

RESPONSIBILITY is of the Business proprietor to initiate the filing of the Business Tax Registration. Call the Business Tax Division prior to filing if you have any questions.

CITY FEES AND TAXES ON BUSINESSES

City taxes are assessed by business type:

- General Office: Employee
- Professional Office: Employee
- Retail: Gross Receipts
- Wholesale: Gross Receipts
- Manufacturing: Gross Receipts
- Personal Service: Employee
- Commercial Property: Gross Receipts
- Residential Property: Gross Receipts

CITY BUSINESS TAX DESIGNATION/RATE CODE

Classification A – Business Services	
Base Tax and first 2,080 hours of employee payroll.....	\$222.36
Each additional hour of employee payroll.....	0.04658
Classification B – Retail, Wholesale & Manufacturing	
Minimum.....	\$75.00*
Per \$1.00 of gross receipts over \$60,000.....	0.00125
Classification C – Professionals	
Base and first 2,080 hours of professional payroll or billed hours.....	\$1236.02
Each additional hour of professionals/semi-professional payroll or billed hours	0.59424
Each hour of non-professional employee payroll	0.11938
Classification D – Used Car Sales (not associated with new car dealer)	
Minimum Tax.....	\$255.00*
Each \$1.00 of gross receipts over \$85,000.....	0.00300

Classification E – Residential Property Rental
 Each \$1.00 of gross receipts.....0.01200

Classification F – Commercial Property Rental
 Each \$1.00 of gross receipts.....0.02350

Classification G – Lenders, Brokers, Real Estate Agents, etc.
 Each \$1.00 of gross receipts.....0.00350

*Special Notes: Fees are for 2007/2008. Subject to annual CPI adjusts
 The next rate change will be July 1, 2008

Utility User Taxes: none

PROPERTY AND OTHER TAXES:

County Sales Tax Rate	8.25%
Transient Occupancy Tax	14.0%
Parking Tax	-0-
Documentary Transfer Tax	\$1.20 per \$1,000

Planning Fees

Consult with the City of Beverly Hills Planning and Community
 Development Department, 455 N. Rexford Drive, Ground Floor (310-285-
 1123) for applicable fees.

Department of Finance Administration Hours

The Department of Finance Administration is open weekdays to serve you during
 the following hours:

Monday-Thursday	7:30am-5:30pm
Friday	8:00am-5:00pm

City of Beverly Hills
 Department of Finance Administration
 Business Tax Division
 455 No. Rexford Drive Room 250
 Beverly Hills, CA 90210
 (310) 285-2419

City of Beverly Hills fees and taxes may change at any time. Contact the
 appropriate City Department for current information.

**The information contained herein is up to date and accurate to the best of our knowledge as of April 2008. This guide is not all-inclusive and should not be a substitute for legal advice or for the advice of a professional business consultant. Beverly Hills Chamber of Commerce and the City of Beverly Hills expressly disclaim any liability for errors or omissions contained herein.