

# Business Tax

## Frequently Asked Questions (FAQ's)

**EVERY YEAR THE BUSINESS TAX RENEWAL DECLARATION IS MAILED ANNUALLY AT THE END OF THE YEAR.**

***Q. Who is required to pay business tax?***

A. All persons who conduct business in the City of Oakland and owners of rental property (residential, commercial and industrial) are required to file and pay an annual business tax.

***Q. How much does it cost to apply for a business tax account?***

A. The non-refundable registration fee is \$88.00, which is due within 30 days of the business or rental start date. There is also an SB1186 fee of \$4.00, and a Recordation and Technology Fee of \$3.00. The total cost would be \$95.00.

***Q. Do I need a Zoning Permit?***

A. If your business is located in Oakland, you are required to obtain a zoning permit from the Zoning Department. The Zoning Department is located at 250 Frank H. Ogawa Plaza, 2nd floor, and can be reached at (510) 238-3911. **NOTE:** You do not need a zoning fee if your business is located outside of Oakland or if your business activity is a rental property operator.

***Q. I am a nonprofit business; do I have to pay business tax?***

A. If you are a nonprofit Federal or State of California tax-exempt organization, you may be exempt from payment of the business tax. You must submit a copy of your letter of determination from the Internal Revenue Service 501(c)(3) confirming the exemption from income tax. However, you are required to register and pay the registration fee.

***Q. Is there a tax liability for a business located within the City of Oakland, but conducts business outside of the City?***

A. Yes. However, you may apportion your gross receipts. Apportionment Guidelines are available under Director of Finance Tax Rulings 7, 8, 9 or 10.

***Q. I own a piece of property in Oakland that I want to rent out. Do I need a business tax certificate?***

A. Yes, all property owners in Oakland who wish to rent out their property must file and pay the initial \$95.00 Registration Fee to obtain a business tax certificate. The tax is based on annual gross rental income at a rate of \$13.95 per \$1,000 of gross rental income. If the property is residential or mixed use, you must also complete the New Rent Adjustment Program Fee Application (RAP). If the property is 100% commercial/industrial, it is not necessary to complete this (RAP) application.

***Q. I rent a room in my house. Do I need a business tax certificate?***

A. Yes, all persons who rent or sublet rooms must obtain a business tax certificate. The tax is based gross rental income at a rate of \$13.95 per \$1,000 of gross rental income.

***Q. Where can I obtain a business tax application?***

A. You can visit our website: <https://ltss.oaklandnet.com/> to register for a new business. You may also obtain an application in person in the Business Tax Office located at 250 Frank H. Ogawa Plaza #1320, Oakland, CA 94612.

**Q. What are your office hours?**

A. The Business Tax Office is open from Monday, Tuesday, Thursday & Friday, 8:00 a.m. – 4:00 p.m. Wednesday, 9:30 a.m. – 4:00 p.m.

**Q. How often do I renew my business tax account?**

A. Business taxes must be paid ANNUALLY, on or before March 1st of each year. It is your responsibility to renew your certificate on time and/or to notify the Business Tax Office if you have not received your annual renewal declaration(s).

**Q. What methods of payment do you accept?**

A. We accept cash, check, money order, cashier's check, e-check, credit cards (Mastercard, Visa, & Discover).

**Q. Can I pay over the phone or via fax?**

A. No, we do not accept credit card payments via fax or over the phone. You can visit our website at <https://ltss.oaklandnet.com/> to pay online with a credit card or e-check.

**Q. Is there any penalty and/or interest assessed if I don't pay or if I underpay my business tax?**

A. Any tax (or portion thereof) that remains unpaid after March 1st is subject to penalty and interest. NO EXCEPTIONS.

**Q. Can I request an extension to file my business tax?**

A. Yes. You must request an extension in writing on or before March 1st of the year. This extension will allow you to remit your business tax liability no later than 45 days from the delinquent date. Note: this extension only waives the penalty; it does not waive the interest on the tax.

**Q. I was unaware of Oakland's business tax requirements. Consequently, I never obtained a business tax certificate. My business activity has been in operation for some time. Am I subject to any late fees?**

A. Yes. All delinquent business taxes are subject to full penalty and interest assessments. NO EXCEPTIONS.

**Q. I don't see my question.**

A. Contact the Business Tax Office at (510) 238-3704.