

# CITY OF OAKLAND



LIONEL J. WILSON BLDG • 250 FRANK H. OGAWA PLAZA, SUITE 1320 • OAKLAND, CA 94612-2093

Finance Department, Revenue and Tax Bureau  
Business Tax Unit (BTU)

BTU (510) 238-3704  
TDD RELAY 711

January 05, 2023

Dear Business Owner,

This notice is to inform you of key changes which will affect your filing and payment of the annual Business License Tax beginning on January 1, 2023. Initial results indicate that Oakland voters have approved "Measure T" repealing and replacing Chapter 5.04 of the Oakland Municipal Code with a new tiered, progressive business tax structure. Alameda County is expected to certify election results by December 16, 2022.

"Measure T" creates a new set of tiered progressive tax rates along with other key changes that will become effective on January 1, 2023.

## KEY CHANGES:

- **Tax Structure:** Beginning on January 1, 2023, the current tax structure will change to a progressive business tax rate structure. A progressive tax structure imposes higher rates on businesses that earn more in gross receipts.
- **Due Date:** The 2023 annual declaration and business tax payments shall be due by or before **March 1, 2023**, for all persons engaging in any business activities, including rental business activities. The business tax payment or portion thereof which is not paid by or before **March 1, 2023\***, shall be declared delinquent and be subject to the following mandatory late charges.
  - **Penalties:**
    - Ten percent (**10%**) of the total amount that remains delinquent beginning on **March 2, 2023**, plus
    - Twenty-five percent (**25%**) of the total amount that remains delinquent beginning on **May 2, 2023**
  - **Interest:**
    - One percent (1%) per month or fraction thereof, on the amount of the non-payment, inclusive of penalties, from the date on which the non-payment first became delinquent until paid.

## EXEMPTIONS:

- **No Longer Available - Small Business Exemption**  
"Small business enterprises," shall no longer be exempt from the payment of business tax.

- **No Longer Available - Five-Year Exemption - New or Renovated Buildings**  
All new buildings and those buildings on which major renovations are completed after December 31, 2023, will no longer qualify for the exemption.
- **Owner-Occupied Rental Property Exemption**  
An Owner of a duplex, triplex, or a single-family house with one or two accessory dwelling unit(s) (ADUs) shall be exempt if:
  - i. the Owner currently lives in one of the dwelling units as their principal place of residence and has received the homeowner property tax exemption on their County property assessment under California Revenue and Taxation Code Section 218; **and**
  - ii. the Owner has owned the property and lived in one of the dwelling units as their principal place of residence for at least one (1) year immediately preceding the application of this exemption; **and**
  - iii. for duplexes and triplexes, the rental unit is a “Covered Unit” as defined in Oakland Municipal Code Section 8.22.020; **and**
  - iv. the Owner’s total household income from all sources is less than or equal to 150% of the Area Median Income (AMI); **and**
  - v. the Owner has no ownership interest in any other residential rental property in the City of Oakland.

**OTHER CHANGES:**

- **Related Entities & Master Certificate:**  
All persons and their related entities that generate gross receipts attributable to the City, by engaging in similarly categorized business activities from separate branch establishments or places of business, shall aggregate the applicable annual gross receipts from all persons and related entities, subject to the master certificate, before applying the rates, and file **one** tax declaration.
- **First Year’s Estimated Gross Receipts:**  
Every person applying for a first business tax certificate for a newly established business shall provide a reasonable estimate of their anticipated gross receipts for the period from the initiation of any business activities to the expiration of its first business tax certificate. The applicant shall pay an initial tax payment based on the estimate.
- **Refund of Tax, Penalty or Interest:**  
Erroneously collected tax. The change requires a claimant to file a claim within 12 months, as opposed to 15 months, from the date the erroneously collected tax was paid, due solely to a clerical, accounting or mathematical error.

Measure “T” Other Changes & Helpful Links:

Gross Receipts Tax Calculator - [www.oaklandca.gov/services/pay-business-taxes-and-fees-online](http://www.oaklandca.gov/services/pay-business-taxes-and-fees-online)

Oakland Municipal Code Chapter 5.04 - [Oakland, CA | Municode Library](http://Oakland, CA | Municode Library)

We are here to help. If you have questions, please contact us at (510) 238-3704. You may also reach us by live chat at <https://ltss.oaklandnet.com/> or email at [BTWebSupport@Oaklandca.gov](mailto:BTWebSupport@Oaklandca.gov).

To request this notice in Spanish, Chinese, Vietnamese, or another language, please call (510) 238- 3704 or email [BTWebSupport@oaklandca.gov](mailto:BTWebSupport@oaklandca.gov). Para solicitar este aviso en español, chino, vietnamita u otro idioma, llame al (510) 238-3704 or [BTWebSupport@oaklandca.gov](mailto:BTWebSupport@oaklandca.gov) por correo electrónico. 欲索取此文件的西班牙文, 中文, 越南文或其它翻譯本, 請電 (510) 238-3704, 或電 [BTWebSupport@oaklandca.gov](mailto:BTWebSupport@oaklandca.gov). Để yêu cầu thông báo này bằng tiếng Tây Ban Nha, tiếng Trung Quốc, tiếng Việt hoặc ngôn ngữ khác, vui lòng gọi (510) 238-3704 hoặc email [BTWebSupport@oaklandca.gov](mailto:BTWebSupport@oaklandca.gov).

Illustration of the progressive tax rates and amounts due for Class A (Retail Sales) generating \$145,000.00 in gross receipts:

<b>If annual gross receipts are \$145,000</b>	<b>Then the business tax is:</b>	<b>Tax Due</b>
Tax on Gross Receipts not over \$66,666	\$60	\$60.00
Tax on Gross Receipts over \$66,666 but not over \$1,000,000	\$60, plus \$0.90 per \$1,000 of annual gross receipts over \$66,666	\$70.50
Tax on Gross Receipts over \$1,000,000 but not over \$2,500,000	\$900, plus \$1.10 per \$1,000 of annual gross receipts over \$1,000,000	\$0.00
Tax on Gross Receipts over \$2,500,000 but not over \$20,000,000	\$2,550, plus \$1.80 per \$1,000 of annual gross receipts over \$2,500,000	\$0.00
Tax on Gross Receipts over \$20,000,000 but not over \$50,000,000	\$34,050, plus \$2.00 per \$1,000 of annual gross receipts over \$20,000,000	\$0.00
Tax on Gross Receipts over \$50,000,000	\$94,050, plus \$2.50 per \$1,000 of annual gross receipts over \$50,000,000	\$0.00
<b>Total Tax Due</b>		<b>\$130.50</b>

Illustration of the progressive tax rates and amounts due for Class B (Grocers) generating \$51,000,500.00 in gross receipts in gross receipts:

<b>If annual gross receipts are \$51,000,500</b>	<b>Then the business tax is:</b>	<b>Tax Due</b>
Tax on Gross Receipts not over \$120,000	\$60	\$60.00
Tax on Gross Receipts over \$120,000 but not over \$1,000,000	\$60, plus \$0.50 per \$1,000 of annual gross receipts over \$120,000	\$440.00
Tax on Gross Receipts over \$1,000,000 but not over \$2,500,000	\$500, plus \$0.55 per \$1,000 of annual gross receipts over \$1,000,000	\$825.00
Tax on Gross Receipts over \$2,500,000 but not over \$20,000,000	\$1,325, plus \$1.00 per \$1,000 of annual gross receipts over \$2,500,000	\$17,500.00
Tax on Gross Receipts over \$20,000,000 but not over \$50,000,000	\$18,825, plus \$1.75 per \$1,000 of annual gross receipts over \$20,000,000	\$52,500.00
Tax on Gross Receipts over \$50,000,000	\$71,325, plus \$2.50 per \$1,000 of annual gross receipts over \$50,000,000	\$2,501.25
<b>Total Tax Due</b>		<b>\$73,826.25</b>