

Frequently Asked Questions (FAQ) Owner-Occupied Residential Landlord Business Tax Refund

What is the Owner-Occupied Residential Landlord Business Tax Refund?

Pursuant to Ordinance No. 13579 C.M.S, a residential landlord who rents or leases up to three rooms in his or her principal place of primary residence, or up to two accessory dwelling units (ADUs), or a covered unit in the case of duplexes, may be eligible to be fully or partially exempt from the payment of business tax for the rental of residential property from January 1, 2020 through December 31, 2030 (“Effective Term”).

City Ordinance: https://library.municode.com/ca/oakland/ordinances/code_of_ordinances?nodeId=1004746

How do I qualify for an Owner-Occupied Residential Landlord Business Tax Refund?

AN OWNER MUST MEET ALL THE FOLLOWING QUALIFICATIONS:

1. Owns and resides at the rental property as their principal place of residence (house, townhouse, condominium or accessory dwelling unit) for at least one year immediately preceding the application for a full or partial exemption.
2. Receives the homeowner property exemption (Alameda County) under CA Revenue and Taxation Code Section 218.
3. Total household income from all sources, excluding the income of the renter(s), is less than or equal to 150% of Area Median 2020* Income Limits.

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 150% of Area Median Income | \$125,180 | \$143,030 | \$160,950 | \$178,800 | \$193,130 | \$207,380 | \$221,700 | \$236,030 |

4. Has no ownership interest in any other residential rental property in the City of Oakland.
5. Operates a long-term (31 or more consecutive days) residential rental; short term residential rentals do not qualify (30 consecutive days or less).
6. Possess a Business Tax account with a start date in 2018 or earlier. Owners with a Business Tax account start date in 2019, are eligible to apply after March 1, 2021. Owners with a Business Tax account start date in 2020, are eligible to apply after March 1, 2022.

Which Owner-Occupied Residential Landlord may be eligible for full exemption?

| | | | | |
|--|----|---|----|----------------|
| two (2) rooms in their house, townhouse or condominium | OR | one (1) or two (2) accessory dwelling units | OR | one (1) duplex |
|--|----|---|----|----------------|

Which Owner-Occupied Residential Landlord may be eligible for partial exemption?

An owner may be **partially exempt** if they rent or lease in their principal place of residence three or more rooms.

I own a duplex, triplex, fourplex, do I qualify for a Refund and Exemption?

A duplex owner that meets all the eligibility criteria and timely submits the necessary documentation, will be awarded a refund for the first tax year and exemptions for subsequent tax years. Triplex and fourplex property owners are not currently eligible for this refund.

Where do I get an Owner-Occupied Residential Landlord Business Tax Refund Petition?

Here: <https://cao-94612.s3.amazonaws.com/documents/BT-Residential-Landlord-Refund-Petition-2021.pdf>

*The medium income requirement is year specific. It will change annually. 2020 income levels are for 2021 exemptions.

Where do I send the Owner-Occupied Residential Landlord Business Tax Refund Petition?

City of Oakland
c/o Revenue Audit-Refund
150 Frank H. Ogawa Plaza, Suite 5342
Oakland, CA 94612

Can I email the Owner-Occupied Residential Landlord Business Tax Refund Petition and supporting documents?

Yes, please email to Audit@Oaklandca.gov

How do I return my Owner-Occupied Residential Landlord Business Tax Refund Petition when the office is closed for the Covid-19 response?

You may mail the Petition and supporting documentation to: City of Oakland, c/o Revenue Audit Unit, 150 Frank H. Ogawa Plaza, Suite 5342, Oakland, CA 94612 **OR** email it to Audit@Oaklandca.gov.

How Do I check the status of my Owner-Occupied Residential Landlord Business Tax Refund?

Contact: 510 238-3084 or Audit@Oaklandca.gov

What if I receive a document request letter?

Please send in the requested documents by the specified deadline.

Do any organizations qualify for a Refund or an Exemption?

No, only homeowners who own, reside in, and rent rooms at their principal place of residence (house, townhouse, condominium or accessory dwelling unit) for at least one year immediately preceding the application for a full or partial exemption may qualify.

What is a "Covered Unit" as defined by Oakland Municipal Code section 8.22.020?

A "Covered Unit" means any dwelling unit, including joint living and work quarters, and all housing services located in Oakland and used or occupied in consideration of payment of rent with the exception of those units designated in Section 8.22.030 A. as exempt.

How are the Income Levels determined?

Income Levels are determined by the Department of U.S. Housing and Urban Development, more information can be found at: <https://www.huduser.gov/portal/datasets/il.html>.

What is the difference between a Refund and an Exemption? How are the funds awarded?

A "Refund" is a payment to reimburse for overpaid taxes. An "Exemption" is a reduction allowed to reduce the amount of tax that would otherwise be charged. For those Owners that establish eligibility and remain eligible, full or partial refunds will be awarded for the first tax year (2020) and full or partial exemptions will be awarded in subsequent tax years (2021-2030) for the Effective Term.

Do Owners apply for both a Refund and an Exemption?

Yes. The first year (2020), eligible Owners apply for a refund of business taxes paid. For the subsequent tax years (2021-2030), on or before March 1, Owners are to use the City-issued annual renewal notice to request full or partial exemption of business taxes.

Do I need to apply for a Refund or an Exemption every year?

Yes; apply for a refund the first tax year and exemptions in subsequent tax years.

What is the deadline to file for an Exemption?

On or before March 1, Owners are to use the City-issued annual renewal notice to request full or partial exemption of business taxes.

What is the deadline to file for a Refund?

If you did not file for an exemption, you must file and pay your business taxes by March 1 to be eligible for this program. Under the municipal codes, an owner/taxpayer has 15 months from date of payment to request a refund.

I missed the deadline for an Exemption. What should I do?

Please renew your business license as soon as possible and use the Owner-Occupied Residential Property Owner Business Tax Refund Petition to submit a claim for an Exemption. You have 15 months from the date of payment to file a claim for refund.

What income year documentation is required?

For eligible Owners for the first year (2020), 2019 income year documentation is required. For each subsequent Business Tax year (2021-2030), submit income documentation for the preceding calendar year.

Do I need to provide documentation to verify my income?

Yes. Acceptable documentation includes, but is not limited to, Federal Income Tax Returns, W-2 records, 1099 records, Social Security benefit letters, and Income Statements.

Do I need to submit my Federal Income Tax Returns with my Petition?

Yes.

Do I need to submit proof my property tax was paid?

No.

How long does it take to receive a refund check?

A refund is to be issued within 60 days following the receipt of complete documentation.

What if my Exemption is not approved?

Contact: 510 238-3084 or Audit@Oaklandca.gov

Once an Owner establishes eligibility by receiving a refund for the taxes paid for the first year, the Owner shall be exempt for the remainder of the Effective Term as long as the Owner certifies on or before March 1 on the City-issued annual renewal notice that the owner remains eligible for the full or partial exemption of the business tax.