

Small Business Exemption Criteria

Commencing with tax year 2006, qualified businesses may be exempt from the payment of business taxes if annual gross receipts do not exceed \$2,800 on ALL gross receipts (from within and out of the city). Please note that tax years prior to tax year 2006 are not eligible for exemption consideration because the Small Business Exemption did not exist.

Unless otherwise specified, the annual gross receipt requirement shall apply to Oakland based businesses and **ALL** out of town businesses seeking a Small Business Exemption.

To request and to be considered for the Small Business Exemption:

- A business's annual gross receipts do not exceed \$2,800 on ALL gross receipts (from within and out of the city). **NO APPORTIONMENT.**
- Existing businesses must renew their existing business tax certificate by March 1 st of each year. The business may request a 45-day extension, but renewal must be completed on or before the 45-day extension deadline. In applying for the Small Business Exemption, the following information must be provided and action taken on the business tax renewal declaration:
 - Check the box requesting the Small Business Exemption.
 - Enter gross receipt information (annual gross receipts of \$2,800 or less from within and outside of the city). * **Reminder: if the taxpayer does not have available documentation to support the gross receipts reported, they MUST complete and sign Form 4506-T “[Request for Transcript of Tax Return](#)” to be considered for the exemption.**
 - Sign the declaration.
 - The business (except rental property -residential, commercial and industrial) must be engaged in business activity, which is taxed on a basis of gross receipts.
 - New businesses must apply for a business tax certificate and pay all required fees within 30 days of the start of business.

The following business activities **DO NOT** qualify for the exemption:

- Rental Property (Residential, Commercial and Industrial)
- Corporate headquarters or administrative offices, which do not generate gross receipts.
- Taxicab Companies and / or taxicab owners who own the “vehicle permit” issued by the Chief of Police. Taxing method is based on the number of vehicle permits.
- Transportation (i.e. delivery/pickup services, ambulance, limousine, etc.). Taxing method is based on the number of employees or vehicles.
- A business, which does not register for a business tax certificate within 30 days of the start of business; which fails to renew their business tax certificate by March 1st .

* Any person claiming exemption under this section shall submit documentation evidencing the total taxable and nontaxable gross receipts of the applicant in support of the initial exemption registration and the annual exemption renewal. Such documentation shall comply with the requirements established by the Finance Director to ensure accuracy

and validity of the city's determination on the exemption claim. (OMC 5.04.620 (B)).

Businesses that request and qualify for the small business exemption will be issued a business tax certificate for the period (tax year) of qualification. Eligible business must request and qualify for this exemption on an annual basis.