

CITY OF OAKLAND

OFFICE OF FINANCE

REVENUE DIVISION

DIRECTOR OF FINANCE RULING NO. 9

APPORTIONMENT GUIDELINE FOR THE CLASSIFICATION OF
PROFESSIONAL-SEMIPROFESSIONAL-CONNECTED BUSINESS AND
BUSINESS AND PERSONAL SERVICES

Reference: Section 5-1.28, 5-1.29 and 5-1.56 of the Oakland Municipal Code.

Purpose

Establishes apportionment guidelines to be used in determining the measure of tax for persons engaged in business within the City of Oakland as a service provider.

BACKGROUND

The Business tax provisions of the Oakland Municipal Code addresses the issue of apportionment of the measure of the tax in broad (general) terms as it relates to taxpayer's service activities within the City. The ruling herein promulgated provides specific apportionment criteria to be used by staff and the taxpayer in determining the measure of the tax.

RULING OF THE DIRECTOR OF FINANCE

All persons, whether or not they own, lease, occupy or otherwise maintain within or outside the City of Oakland a place or premise upon or from which they engage in business, shall nevertheless be deemed to be engaged in business within the City of Oakland when through the physical presence of themselves, their employees, or their agents, engaged in the business of providing services subject to business tax under section 5-1.28 and 5-1.29 of the Oakland Municipal Code; the following apportionment guidelines shall apply:

All persons engaging in business activities shall include the total gross receipts from work performed within the City; in addition, if such person owns, leases or otherwise maintains within the City a place or premises from which such person engages in business activities outside the City, such person shall include 30% of gross receipts from work performed outside the City in the measure of the tax.

PROVISION FOR MODIFICATION OF
APPORTIONMENT FORMULA

Any person, who believes that the percentage of gross receipts determined to be subject to tax under the foregoing provisions of this ruling is greater than the facts justify, may apply to the Finance Director for modification of the percentage. Such application shall be made in writing to the Finance Director and shall be accompanied by a statement of facts supporting the basis for such modification. The Finance Director shall make his determination on the basis of evidence presented to him and select other evidence as he may have, may request from the taxpayer, or may discover from other sources. The Finance Director shall increase, reduce, or allow to stand the percentage originally determined, depending on the facts.

Should the Finance Director be of the opinion that the percentage of gross receipts determined to be subject to tax under the foregoing provisions of this ruling is less than the facts, justify in any particular case, he shall make such investigation as is necessary to ascertain the facts and revise the percentage, if required.