

BUSINESS LICENSE RENEWAL INFORMATION

ABOUT THE RENEWAL PROCESS:

The Business License tax year coincides with our fiscal year, JULY 1 through JUNE 30 and generally expires and is due for renewal July 1 of each year. As a courtesy reminder, Renewal Notices are mailed in early June to the mailing address on file. It is the responsibility of the business owner to pay the business license tax regardless of whether or not a renewal notice from the collector is received. If a notice is not received by mid-June, call or email us.

CALCULATING YOUR TAX:

Your Renewal Tax Notice provides the formula to calculate your taxes. In most cases, the tax is calculated using Gross Receipts or Cost of Operations (your Notice identifies which one applies) as reported on your most recent IRS tax return and is apportioned based on the amount of business you transact within the City of Ventura.

Note: If the payment received is less than the amount due, the payment will be applied to any penalties or Inspection Fee that applies first and then to the calculated tax due.

BUSINESS TAX YEAR

Your Business Tax Year is the twelve-month cycle you use to report to the IRS. For example:

CALENDAR YEAR = January 1 through December 31

FISCAL YEAR = July 1 through June 30, or October 1 through September 30

IN BUSINESS LESS THAN A YEAR?

Take a monthly average of your gross receipts (or cost of operations) and multiply by twelve. Use this figure to calculate your business license tax.

DEFINITION OF GROSS RECEIPTS

"Gross Receipts" is the amount your business actually received from sales, providing service, and/or rental of properties as you report to the IRS for your last Business Tax Year. This figure can be obtained from your business' income tax return (Schedule C, Schedule E, or other financial statements). If your total gross receipts includes sources other than those generated within the City of Ventura, use only that portion generated in Ventura, providing you have a valid business license in those other cities. An estimated percentage is acceptable if your records are not clearly defined.

DEFINITION OF COST OF OPERATIONS

The cost of operations is what you expend for operating within the City. Such costs include salaries and benefits, operating leases/ rentals for equipment and facilities, utilities, services & supplies, materials, maintenance and general overhead expenditures. Not included are non-cash expenditures for depreciation and amortization.

VERIFICATION OF GROSS RECEIPTS

As a normal part of our process, we compare reported gross receipts with previous years', and if there is a significant increase or decrease, we may ask for verification. We want to make sure that the figures you, the taxpayer, report are accurate. We have found many instances of taxes being overpaid, as well as underpaid, because of confusion of what figures to use. If this should occur, please respond promptly. Or, in order to avoid delay in processing your renewal, you may choose to send a copy of the source document you get the figures from along with the renewal payment.

LIMITED INCOME EXEMPTION

If the gross receipts for your entire business are less than \$2,400 a year for more than three (3) consecutive years as reported to the IRS, you may apply for the Limited Income exemption and need only pay the cost of the Business Tax Certificate plus the processing fee. To qualify, you must complete an Application for Exemption from Business License Tax and include the required income verification. Call staff for details.

MORE THAN ONE BUSINESS?

If you own more than one business, you may be eligible to consolidate your business license taxes and save money. Call staff for details.

NO LONGER IN BUSINESS?

We do not automatically cancel your license if we don't hear from you. We just assume your payment is late and continue to send notices and eventually place your business name on our delinquent list. So, please let us know in writing if you want your license canceled.

DELINQUENT TAX PAYMENTS AND PENALTIES

You are responsible for renewing your business license whether or not a Renewal Notice is received. Renewal tax payments postmarked after July 31st must include the appropriate penalty with your tax payment. Late penalties are part of your tax liability. Your tax certificate will not be issued until the entire tax liability is paid.

IMPORTANT! PROTECT YOUR CREDIT RATING

As a courtesy, we send one or more reminder Renewal Notices. If we have not heard from you regarding renewal or cancellation, a Final Demand for Payment will be issued with an estimation of the tax and penalties due. Your account will then be turned over to the City's contracted collection agency and your credit rating may be at risk.

HAS SOMETHING CHANGED?

If any information on the Business License Tax Notice has changed, please make corrections in red and return with payment.

Based In Ventura -Commercial Location

If your business has changed Address, Ownership, Type of Business, or Increased /Decreased Square Footage, a Fire Clearance Inspection is required. Enter the amount of the "Fire Inspection Fee" on the Notice. Add that figure with your tax amount and remit Total Amount Due. The cost of a Fire Clearance depends on the square footage of the business. Please contact the Business License Office for the cost of your inspection.

If the change is business name, change in corporate information (e.g., CEO name change) or owner interest, then a new Fire Clearance without an inspection is required.

Based In Ventura -Home Occupations

If your Home Business has moved or changed business name or ownership, please be aware that the City's Zoning Ordinance regulates the type of business operations that may be done in the home. Home Occupation Zoning Requirements are available online at www.cityofventura.net or from the Business Tax Office.

ERRORS AND OMISSIONS

Please try to provide complete and accurate information. Errors and omissions delay the process as we must take extra time to figure things out. Then we need to contact you for additional monies or information. If you overpay, we have to issue a refund and you will be charged an administrative fee. So, please help us . . . if you are not sure or we haven't made ourselves clear, call or e-mail us.

This information is intended to help you with the Business License Renewal process and is not intended to supersede any provisions in the San Buenaventura Ordinance Code. Should this brochure present any information in conflict with the provisions of the Ordinance, the Ordinance shall prevail.