

INSTRUCTIONS FOR BUSINESS TAX APPLICATION

The City of Lompoc does not issue a "business license," rather a "Business Tax Certificate" to all persons conducting business in the City of Lompoc, whether or not the business has a fixed place of business in the City. The Business Tax Certificate is valid until June 30th of each year following issuance and must be renewed thereafter before July 31 to avoid penalties. It is the responsibility of the business to ensure that the tax is paid each year whether or not they received a renewal notice.

For Businesses located in commercial locations in the City of Lompoc: The Lompoc Police Department maintains a list of persons designated by business owners to respond in case of emergency. It is the responsibility of the owner/manager to provide this information and to respond promptly when requested by the Police Department due to conditions that require immediate attention. You are requested to provide the Police Department with updated information concerning any changes to this list by notifying the Police Dispatcher at 736-2341, 24 hours per day. Please list the persons you designate on the reverse side of this form.

Alarm Permits: If your business will have a silent or audible alarm, you must contact the Police Department in person during regular business hours to obtain an **ALARM PERMIT**. Operation of an alarm without a permit is a violation of the Lompoc Municipal Code.

Processing Fee: Effective June 1, 2005 a \$20.00 Processing Fee for all new Business Tax Applications will be collected in addition to the Business Tax listed below. In addition, an annual Renewal Fee of \$10.00 will be applied when the Business Tax is renewed each year.

Business Tax Schedules

Select the Tax Schedule below that is appropriate to your business and write the Tax Due in the Box on the front page in the lower right hand corner! For most businesses, the tax is based on estimated annual gross receipts, except as noted below under Schedules II, III, and IV.

If you are starting your business after October 1, please contact the City Clerk's Department to determine if your first year's business tax may be prorated.

I. GRADUATED BUSINESS TAX SCHEDULE - BASED ON ESTIMATED ANNUAL GROSS RECEIPTS

<u>Estimated Annual Gross Receipts</u>	<u>Annual Tax</u>
Less Than \$ 24,999	\$ 30.00
\$ 25,000 to \$ 49,999	\$ 50.00
\$ 50,000 to \$ 99,999	\$ 90.00
\$ 100,000 to \$ 199,999	\$140.00
\$ 200,000 to \$ 299,999	\$190.00
\$ 300,000 to \$ 399,999	\$240.00
\$ 400,000 to \$ 499,999	\$290.00
\$ 500,000 to \$ 749,999	\$330.00
\$ 750,000 to \$ 999,999	\$375.00
\$1,000,000 to \$1,249,999	\$425.00*
\$1,250,000 to \$1,499,999	\$475.00*

* All businesses grossing over \$1,000,000 annually \$375.00 plus an additional \$50.00 for each additional increment of \$250,000 annual gross receipts, or portion thereof, in excess of \$1,000,000.

Exclude from your Annual Estimated Gross Receipts the following:

- a. Any tax required by law to be included or added to the purchase price.
- b. Sale of alcohol (Calif. Constitution, Article 20, Section 20)
- c. Receipts of refunded deposits, unless forfeited.
- d. For real estate agents/brokers, the sales price of real estate sold.
- e. Retail gasoline dealers, the motor vehicle fuel license tax.

Please write in your Estimated Annual Gross Receipts \$ _____

II. FLAT TAX (Not Prorated) FOR CONTRACTORS

Licensed by the California Contractors State License Board as follows:

- a. General Engineering or General Building Contractor \$150.00
- b. Subcontractor or Specialty Contractor \$ 75.00

III. RENTAL BUSINESSES

Any person engaged in the renting or letting of rooms, apartments, mobilehome home spaces, or other accommodations for dwellings, sleeping, lodging, or commercial purposes in any such place, with the exception of hotels and motels (which pay based on gross receipts), shall pay annually the following business tax.

Less than three	Exempt - No Tax
Three or more	\$5.00 per year, per unit, room, space, etc.

IV. DIRECT SELLING

Every individual or person engaged in the business of soliciting or direct selling in person by telephone or by any other means of communication, the retail sale of any goods, wares, merchandise, photographs, magazines, books, newspapers, or any literature, services or other things of value for immediate or future delivery and not having a regularly established place of business within the city shall pay a license tax of \$50.00 per year unless the person or persons for whom he is soliciting has a principal solicitor's license as hereafter provided, in which event the tax shall be \$7.50 per year. Prior to issuance of a Business Tax Certificate, solicitors and itinerant vendors must obtain a police clearance and provide a surety bond.

The Business Tax Year is July 1 - June 30. Remember to renew your Business Tax annually prior to July 31 to avoid penalties.