Chapter 5.04 TAXES, LICENSES AND REGULATIONS

5.04.010 Definitions.

For the purposes of this chapter, the following words and phrases shall be defined as follows:

A. *Average number of employees*. "Average number of employees" means the average number of persons employed daily in the person's business for the preceding period of one year and shall be determined by ascertaining the total number of hours of service performed by all employees during the preceding year, including paid leave, dividing the total number of hours of service by the full-time equivalent (2,080 hours). In computing the average number of employees, fractions of numbers shall be rounded to the nearest whole number with one-half or greater being rounded up and less than one-half being rounded down.

B. *Business*. "Business" means and includes professions, trades, and occupations and all and every kind of calling whether or not carried on for profit.

C. *Business rentals*. "Business rentals" means any business conducted or carried on by any person engaged in the business of renting or letting a building or structure of any kind, including, but not limited to, office buildings, warehouses, commercial spaces, office spaces and industrial spaces to a tenant for purposes other than dwelling, sleeping or lodging.

   1. One or more business rental units on the same parcel or adjoining parcels shall be considered a separate place of business and a tax certificate must be obtained for each separate place of business.

   2. This definition shall not include cooperatively owned multiple business units wherein all units are individually owned and occupied by the owner of the unit.

   3. All taxable business rental units shall be taxed on the basis of gross receipts, as provided for by Section 5.04.300.A.1, entitled Classification "A" Retail Sales.

D. *Certificate*. "Certificate" means the business tax payment certificate issued to the taxpayer upon the payment of the business tax. The certificate does not authorize the person to conduct any lawful business in an illegal manner or to conduct within the City of Riverside the business for which the certificate has been issued without strictly complying with all the provisions of the ordinances of said City. The certificate does not constitute a permit to engage in business. It is the document issued upon the payment of the business tax. References to a license or business license in this chapter or other chapters of this Code shall be understood to refer to the business tax payment certificate.

E. *City*. "City" means the City of Riverside, a California Charter City and municipal corporation.

F. *Collector*. "Collector" means the Chief Financial Officer or other City officer charged with the administration of this chapter. References to License Collector or Tax Administrator shall be understood to refer to the Finance Director or his authorized representative.

G. *Conduct or carry on*. "Conduct or carry on" means and includes the engaging in, carrying on, owning, maintaining, managing or operating any business, trade, art, profession, calling, employment, occupation, or any commercial, industrial or professional pursuit or vocation whether done as owner, or by means of an officer, agent, manager, employee, servant, lessee or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities.

As to business conducted within the City, whether the business establishment is located within or outside the City, every such sale, service or other transaction shall be deemed to have occurred within the City for purposes of the business tax.

H. *Contractor*. "Contractor" means every person conducting, carrying on or managing a business who is licensed as a contractor by the State of California and who undertakes to, or offers to undertake to, or purports to have the capacity to undertake to, or submits bids to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement or to do any part thereof, including the erection of scaffolding or other structures or works in conjunction therewith.

1. Any "contractor" as defined above conducting or carrying on the business of selling goods, wares or merchandise as a retailer or wholesaler, in addition to his contracting business shall, in addition to the contractor's business tax certificate provided herein, secure a certificate for such retail or wholesale business as required in the chapter.

2. The term "contractor" includes general engineering contractor, general building contractor, specialty contractor and subcontractor whether operating within the City or from outside the City with no fixed place of business in the City.

3. Any "contractor" as defined herein that possesses a current license, issued by the State of California, and such license bears an address located within the City, shall maintain a certificate at all times whether the contractor's work is located within the City or outside the City.

I. *Employee*. "Employee" means, in relation to a business, any and all owners, or members of the owner's family, partners, or associates or individuals, to whom the business pays a wage, all of whom shall be included in the computation of the average number of employees of the business.

1. Any business leasing, renting or otherwise providing space for self-employed individuals to conduct their business, or any business utilizing self-employed individuals in the conduct of their business, shall either pay for the self-employed individual as an employee of their business, or shall require the self-employed individual to obtain a separate certificate. In either case, a list of all self-employed individuals shall be provided to the Collector when registering for a certificate. This section includes any service already enumerated in this chapter.

2. Employment services shall include all pay rolled individuals, whether working in or out of the City of Riverside, when determining the average number of employees.

J. *General services*. "General services" means providing, maintaining or performing labor for benefit of another within the City; supplying some general demand for the benefit of another within the City and does not include professional services or other services enumerated in this chapter.

K. *Gross receipts*. "Gross receipts" means and includes the total of amounts actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. "Gross receipts" includes all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever;

1. A business established outside the City but maintaining a branch office within the City, or doing business within the City through an agent, broker or employee, shall report as gross receipts, its total sales or receipts attributable to the local branch office, local agent, broker or employee operating within the City;

2. Gross receipts for real estate brokers or agents, travel agents, insurance brokers, and bail bond brokers shall mean the total gross commissions.

3. The following shall be excluded from "gross receipts":

   a. Cash discounts allowed and taken on sales;

   b. Credit allowed on property accepted as part of the purchase price and which property may later be sold;

   c. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

   d. Such part of the sale price or property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit;

   e. Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee has furnished the Collector with the names and addresses of the others and the amounts paid to them;

   f. Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded;

   g. As to a real estate agent or broker, the sales price of real estate sold for the account of others except that portion which represents commission or other income to the agent or broker;

   h. As to a retail gasoline dealer, a portion of his receipts from the sale of motor vehicle fuels equal to the motor vehicle fuel license tax imposed by and previously paid under the provisions of Part 2 of Division 2 of the Revenue and Taxation Code of the State of California;

   i. As to a retail gasoline dealer, the special motor fuel tax imposed by Section 4041 of Title 26 of the United States Code if paid by the dealer or collected by him from the consumer or purchaser.

L. *Insurance agent*. "Insurance agent" means any person, including bail bond agents, directly authorized by and on behalf of an insurer to transact insurance and bind the insurer in the execution of insurance policies.

M. *Insurance broker*. "Insurance broker" means any person, including bail bond brokers, who, for compensation and on behalf of another person, transacts insurance other than life, with, but not on behalf of, an insurer.

N. *Location*. "Location" means the place where the business is conducted whether at a single address or multiple addresses that are contiguous. If a business entity conducts business at two or more addresses which are not physically contiguous, each such noncontiguous address shall constitute a separate location. In the case of electronic transactions, the place where the seller is located is deemed the "location" for purposes of this chapter.

O. *Manufacturing*. "Manufacturing" means the business of making, developing, assembling or packaging of any machines, devices, articles, things, commodities, goods, wares, merchandise, products, equipment, material or substances for sale or distribution to the public either at wholesale or retail.

P. *Person*. "Person" means and includes all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, trusts, societies, and individuals transacting and carrying on any business in the City, other than as an employee.

Q. *Professional services*. "Professional services" means any person, including a professional corporation, wherever located, engaged in/or carrying on within the City any profession requiring compliancy with written and/or oral examination standards adopted by a branch of the state or federal government and/or requiring a certain amount of tenure with such branch of government; such professions to include but not be limited to: architect, attorney, accountant (all types), audiologist, chiropractor, clinical social worker, dentist,

economist, engineer (all types), geologist, marriage, family and child counselor, mortician, optician, optometrist, osteopath, physician (all types),podiatrist, psychologist, registered nurse, speech pathologist, surveyor, veterinarian, etc.

R. *Residential rentals*. "Residential rentals" means any business conducted or carried on by any person engaged in leasing, renting, subleasing, subletting, providing, exchanging or trading without loss of ownership or leasehold, any real property, dwelling, building, structure, premises or portion thereof, for the purpose of dwelling, sleeping, lodging, boarding or other such occupancy, accommodation or general residency.

1. Two or more single-family residential rental units and multiple-residential rental units of two or three units shall be taxed as one business using the property owner's physical address as the business address.

2. Four or more residential rental units on the same parcel or adjoining parcels shall be considered a separate place of business and a tax certificate must be obtained for each separate place of business.

3. This definition shall not include cooperatively owned multiple dwellings wherein all units are individually owned and occupied by the owner of the unit.

4. All taxable residential rental units shall be taxed on the basis of gross receipts, as provided for by Section 5.04.300.A.1, entitled Classification "A" Retail Sales.

S. *Sale*. "Sale" means and includes the transfer, in any manner or by any means whatsoever, of title to property for a consideration; the serving of, supplying of, or furnishing for a consideration any property; and any transaction whereby the possession of property is transferred and the seller retains the title as security for the payment of the price. The foregoing shall not be deemed to exclude any transaction which is or which, in effect, results in a sale within the contemplation of law.

T. *Sworn statement*. "Sworn statement" means an affidavit sworn to before a person authorized to take oaths, or a declaration or certification made under penalty of perjury.

U. *Wholesale sales*. "Wholesale sales" means the sale of goods, wares or merchandise for the purpose of resale and there is no sale to the ultimate consumer.

(Ord. 7390 § 1, 2017; Ord. 7341 § 4, 2016; Ord. 7182 § 8, 2012; Ord. 6923 § 2, 2007; Ord. 5762 § 2, 1989; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.020 Revenue measure.

This chapter is enacted solely to raise revenue for municipal purposes, and is not intended for regulation. No certificate issued under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business.

(Ord. 6923 § 3, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.030 Effect on other ordinances.

Persons required to pay a business tax for transacting and carrying on any business under this chapter shall not be relieved from the payment of any business tax for the privilege of doing such business required under any other ordinance of the City, and shall remain subject to the regulatory provisions of other ordinances.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.040 Business tax payment required.

There are hereby imposed upon the businesses, trades, professions, callings and occupations specified in this chapter business taxes in the amounts hereinafter prescribed. It is unlawful for any person to transact and carry on any business, trade, profession, calling or occupation in the City without first having procured a business tax certificate from the City and paying the tax hereinafter prescribed or without complying with any and all applicable provisions of this chapter.

This section shall not be construed to require any person to obtain a certificate prior to doing business within the City if such requirement conflicts with applicable statutes of the United States or of the State of California. Persons not so required to obtain a certificate prior to doing business within the City nevertheless shall be liable for payment of the tax imposed by this chapter.

Nothing contained in this chapter shall be construed to relieve the obligation to obtain a separate certificate and to pay the appropriate business tax required for each business owned or conducted by a separate owner within an individual establishment or location, whether under the same management or not.

Any person who operates any business, whether upon a cost, rental or commission basis as a concession or upon rented floor space in or upon the premises of any person taxed under the provisions of this chapter, shall be required to obtain a separate and independent certificate pursuant to this chapter except as may be otherwise specified hereinafter.

No certificate shall be issued to any person failing to obtain any regulatory permit or otherwise comply with any other provision of this Code having to do with the regulation of any trade, business or occupation. The City may revoke any certificate inadvertently issued in violation of this section without liability to the City.

(Ord. 7390 § 1, 2017; Ord. 6923 § 4, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.050 Branch establishments.

A separate tax certificate must be obtained for each branch establishment or separate business location, and for each separate type of business at the same location. In reference to theaters and shows, each screen shall be considered a separate business. Each certificate shall identify the type of business certified thereby at the location; provided that warehouses or distribution facilities located on the same premises or upon contiguous premises and used in connection with or incidental to a business taxed under the provisions of this chapter shall not be deemed to be separate places of business or branch establishments; provided further that no separate business transactions or administrative or management related activities shall be carried on in such incidental or supplemental warehouses or distribution facilities.

(Ord. 7390 § 1, 2017; Ord. 6923 § 5, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.060 Evidence of doing business.

When any person by use of signs, circulars, business cards, telephone book, newspapers, trade publications, television, radio, internet, or any other advertising media, advertises, holds out or represents that he is in business in the City, or when any person holds an active license or permit issued by a governmental agency indicating that he is in business in the City, or when such person gives other evidence of transacting and carrying on business as may be defined in this chapter, such action shall be considered evidence of doing business in the City. If such person fails to deny by a sworn statement under penalty of perjury given to the Collector that he is not conducting a business in the City, after being requested to do so by the Collector, then these facts shall be considered prima facie evidence that he is conducting a business in the City.

(Ord. 6923 § 6, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.070 Constitutional apportionment.

None of the business taxes provided for by this chapter shall be so applied as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States and the State of California.

A. In any case where a business tax is believed by a registrant for a certificate to place an undue burden upon interstate commerce or be violative of such constitutional clauses, he may apply to the Collector for an adjustment of the tax. Such application may be made before, at, or within six months after payment of the prescribed business tax. The registrant shall, by sworn statement and supporting testimony, show his method of business and the gross volume or estimated gross volume of business and such other information as the Collector may deem necessary in order to determine the extent, if any, of such undue burden or violation.

B. The Collector shall then conduct an investigation and shall fix as the business tax for the registrant, an amount that is reasonable and nondiscriminatory, or if the business tax has already been paid, shall order a refund of the amount over and above the business tax so fixed.

C. In fixing the business tax to be charged, the Collector shall have the power to base the business tax upon a percentage of gross receipts or any other measure which will assure that the business tax assessed shall be uniform with that assessed on businesses of like nature, so long as the amount assessed does not exceed the business tax as prescribed by this chapter. Should the Collector determine the gross receipts measure of business tax to be the proper basis, he may require the registrant to submit, either at the time of termination of registrant's business in the City, or at the end of each three-month period, a sworn statement of the gross receipts and pay the amount of business tax therefore, provided that no additional business tax during any one calendar year shall be required after the registrant shall have paid an amount equal to the annual business tax as prescribed in this chapter.

(Ord. 6923 § 7, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.080 Exemptions.

Nothing in this chapter shall be deemed or construed to apply to any person transacting and carrying on any business exempt by virtue of the Constitution or applicable statutes of the United States or of the State of California from the payment of such taxes as are herein prescribed.

Any person claiming an exemption pursuant to this section or Section 5.04.090 shall file a sworn statement with the Collector stating the facts upon which the exemption is claimed, and shall provide the Collector any additional documentation requested that substantiates the claim, and in the absence of such statement and requested documentation substantiating the claim, such person shall be liable for the payment of the taxes imposed by this chapter.

The Collector shall, upon a proper showing contained in the sworn statement, issue a certificate to such person claiming exemption under this section or Section 5.04.090 without payment to the City of the business tax required by this chapter.

The Collector, after giving notice and a reasonable opportunity for hearing to a registrant, may revoke any certificate granted pursuant to the provisions of this section or Section 5.04.090 upon information that the registrant is not entitled to the exemption as provided herein.

(Ord. 6923 § 8, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.090 Tax-free certificate provision.

The provisions of this chapter shall not be deemed or construed to require the payment of a business tax to conduct, manage or carry on any business, occupation or activity from any institution or organization or persons who fall within any of the following classifications:

A. Any business conducted, managed or carried on wholly for the benefit of charitable purposes and from which profit is not derived, either directly or indirectly, by any individual.

B. Any entertainment, concert, exhibition or lecture on scientific, historical, literary, religious or moral subjects within the City whenever the receipts of any such entertainment, concert, exhibition or lecture are to be appropriated to any church or school or to any religious or benevolent purpose.

C. Any entertainment, dance, concert, exhibition or lecture by any religious, charitable, fraternal, educational, military, state, county or municipal organization or association whenever the receipts of any such entertainment, dance, concert, exhibition or lecture are to be appropriated for the purpose and objects for which such organization or association was formed and from which profit is not derived, either directly or indirectly by any individual.

D. Nothing in subsections A, B, or C, above, shall be deemed to exempt any such organization or association from complying with any of the provisions of this chapter requiring a certificate to conduct, manage or carry on any profession, trade, calling or occupation.

E. Any group of residents of the City who are organized solely and exclusively for the benevolent, charitable, religious, scientific, educational, historical, cultural or recreational purposes, and not for profit and all receipts, less allowable expenses, are used exclusively within the City for the purposes mentioned in this paragraph.

F. Any attorney whose only business done in the City is in the courts operated in this City, and who does not maintain a business location within the City.

G. Any doctor whose only business done in the City is surgery and/or consultation in a regularly established hospital in the City, and who does not maintain a business location within the City.

H. Any bank, including any national banking associations, federal credit unions, and financial corporations, to the extent that a City may not levy a business tax upon them under the provisions of Article XIII, Section 27 of the California Constitution.

I. Any insurance company or associations engaged in the sale and servicing of insurance and their direct agents, including bail bond agents and life agents, to the extent that a City may not levy a business tax upon them under the provision of Article XIII, Section 28 of the California Constitution.

   All insurance brokers, bail bond brokers, life and disability insurance analysts, and insurance solicitors are not exempt from payment of a business tax as provided in Article XIII, Section 28 of the California Constitution.

J. Any vendors at any certified farmers' market, as defined by Section 47004 of the California Food and Agricultural Code.

K. Any governmental agency or subdivision and the employees thereof, to the extent they are engaged in the business of such governmental agencies or subdivisions.

L. Any for-hire motor carrier of property, to the extent that the City may not levy a business tax upon its transportation business pursuant to Section 7233 of the California Revenue and Taxation Code.

M. Any household goods carrier or for-hire motor carrier of property operating under the jurisdiction of the Public Utilities Commission of the State of California whose definite permanent points of origin and

termination lie outside of the legal limits of the City to the extent that a City may not levy a business tax upon its intercity transportation business pursuant to Section 5327 of the California Public Utilities Code.

N. Any state alcoholic beverage licensee engaged in the manufacture, sale, purchase, possession, or transportation of alcoholic beverages within the State of California to the extent that a City may not levy a business tax upon them under provisions of Article XX, Section 22 of the California Constitution.

O. Any licensed community care facility where not more than six people are cared for on a full- or part-time basis, to the extent that a City may not levy a business tax upon them pursuant to Section 1523.1 of the California Health and Safety Code.

P. Any small family day care home, as defined in Section 1596.78 of the California Health and Safety Code, where not more than eight or fewer children are cared for in the provider's home, for periods of less than 24 hours per day, to the extent that a City may not levy a business tax upon them pursuant to Section 1597.45 (b) of the California Health and Safety Code.

Q. Any residential care facility where not more than six people are cared for on a full-time or part-time basis, to the extent that a City may not levy a business tax upon them pursuant to Section 1566.2 of the California Health and Safety Code.

R. Any vendor operating in conjunction with an event organized, sponsored or operated by a nonprofit, tax-exempt organization and the annual gross income of the vendor's household from all sources is less than $8,000.00 on the last preceding federal or state personal income tax reporting period.

S. Any vendor who is certified disabled by either a state or federal agency and the annual gross income of the vendor's household from all sources is less than $8,000.00 on the last preceding federal or state personal income tax reporting period.

T. Every person who has been honorably discharged from military service of the United States and who is exempted from the payment of business taxes by Sections 16001 and 16001.5 of the California Business and Professions Code and who distributes circulars and/or hawks, peddles, and/or vends any goods, wares or merchandise owned by him, except spirituous, malt, vinous or other intoxicating liquor, subject however to the restrictions, limitations, regulations and conditions hereinafter set forth.

1. Every applicant must furnish a certificate of physical disability, dated within a month of said application, executed by a qualified physician or submit equivalent evidence of disability.

2. Every applicant must obtain a solicitors permit issued by the City Police Department.

3. The applicant may not have a fixed business location.

4. A business tax certificate, when issued, is subject to the following conditions:

    a. Said business tax certificate shall not be defaced, mutilated, disfigured or otherwise altered subsequent to its issuance, and failure to comply herewith is grounds for revocation of said business tax certificate and for refusing its renewal or the issuance of a new business tax certificate thereafter.

    b. It is nontransferable and for the exclusive use of the business taxpayer named.

    c. Should a business tax certificate be found in the possession of one other than the business taxpayer named, it shall be surrendered to the Collector and revoked and neither the business taxpayer named nor the holder thereof shall thereafter be entitled to hold a business tax certificate under the provisions of this section.

    d. The business taxpayer named must identify himself by his signature whenever required to do so by any City police officer, or any authorized agent of the Collector.

U. Any business conducted or carried on from a person's residence located in the City of Riverside, and having total annual taxable and nontaxable gross receipts from within and without the City, which do not exceed $10,000.00.

1. To qualify for the exemption, the business requesting the exemption must furnish the Collector with a copy of the business's federal and state income tax returns for the previous year as well as any additional information as may be required by the Collector.

2. A new business declaring less than $10,000.00 gross receipts must:

   a. Provide documentation to support the declaration as may be required by the Collector.

   b. Furnish the Collector with a copy of the business's federal and state income tax returns after completion of the first year's business as well as any additional information that may be required.

   c. If it is determined that the business was not eligible for the exemption, all applicable past due taxes, including any applicable penalties, shall be owed.

3. Any business determined to be exempt under this section shall be required to register with the City, pay a $10.00 processing fee, and obtain a tax-free certificate.

4. Failure to furnish the required documents and to obtain a certificate 30 days after the due date, shall render the exemption inapplicable and the business shall be subject to the tax otherwise payable and any penalty applicable pursuant to Section 5.04.220.

V. Any public utility furnishing gas and/or electric service that pays the City a tax pursuant to a franchise or similar agreement with the City.

(Ord. 7390 § 1, 2017; Ord. 7197 § 1, 2013; Ord. 6923 § 9, 2007; Ord. 6393 §§ 23, 24, 1997; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 5457 § 1, 1986; Ord. 5359 § 1, 1985; Ord. 3804 (part), 1971)

5.04.100 Registration for business tax certificates.

Upon a person registering for the first certificate to be issued hereunder or for a newly established business, such person shall furnish to the Collector a sworn statement, upon a form provided by the Collector; setting forth the following information:

A. The exact nature or kind of business for which a certificate is requested;

B. The place where such business is to be carried on, and if the same is not to be carried on at any permanent place of business, the places of residences of the owners of same;

C. In the event that registration is made for the issuance of a certificate to a person doing business under a fictitious name, the registration shall set forth the names and places of residences of those owning said business;

D. In the event that the registration is made for the issuance of a certificate to a corporation or a partnership, the registration shall set forth the names and places of residences of the officers or partners thereof;

E. In all cases where the amount of business tax to be paid is measured by gross receipts, the registration shall set forth such information as may be therein required and as may be necessary to determine the amount of the business tax to be paid by the registrant;

F. In all cases where the business contracts, sells or delivers any goods, wares or merchandise in the City for which sales or use tax is payable and who is required to report and pay such sales and use tax to the state shall obtain an appropriate California State Board of Equalization permit and furnish the Collector with his sales tax number and shall report separately in his return to the state the amount of receipts

from sales in the City and/or the receipts from sales for use in the City and shall pay the required sales or use tax on such receipts. Any such person who fails to do so shall be deemed guilty of a misdemeanor violation of this chapter.

G. Such other information as may be necessary for the enforcement of the provisions of this chapter or required by state or federal law;

H. Any further information which the Collector may require to enable him to issue the type of certificate registered for.

If the amount of the business tax to be paid by the registrant is measured by gross receipts, he shall estimate the gross receipts for the period to be covered by the certificate to be issued. Such estimate, if accepted by the Collector as reasonable, shall be used in determining the amount of business tax to be paid by the registrant; provided, however, the amount of the business tax so determined shall be tentative only, and such person shall, within 30 days after the expiration of the period for which such certificate was issued, furnish the Collector with a sworn statement, upon a form furnished by the Collector, showing the gross receipts during the period of such certificate, and the business tax for such period shall be finally ascertained and paid in the manner provided by this chapter for the ascertaining and paying of renewal business taxes for other businesses, after deducting from the payment found to be due, the amount paid at the time such first certificate was issued.

In no case shall any error in the amount collected for any business tax or any penalty prevent the collection of the amount actually due. In case an error is made in the classification of any certificate, then a new certificate shall be issued in the proper classification thereof, under the date of the original certificate, and the certificate holder shall pay any additional amount required by such change.

The Collector shall not issue to any such person another certificate for the same or any business, until such person shall have furnished to him the sworn statement and paid the business tax as herein required.

Any person knowingly or intentionally misrepresenting to any officer or employee of the City any material fact in applying for or paying for the business tax certificate shall be deemed guilty of a misdemeanor violation of this chapter.

Any business tax certificate issued in reliance upon any misstatement or misrepresentation of a material fact made in applying for, renewing, or paying for a business tax certificate, may be revoked without liability to the City.

(Ord. 7229 § 6, 2013; Ord. 6923 § 10, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.110 Renewal registration.

In all cases, the registrant for the renewal of a certificate shall submit to the Collector for his guidance in ascertaining the amount of the business tax to be paid by the registrant, a sworn statement, upon a form to be provided by the Collector, setting forth such information concerning the registrant's business during the preceding year as may be required by the Collector to enable him to ascertain the amount of the business tax to be paid by said registrant pursuant to the provisions of this chapter.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.120 Contents of business tax certificate.

A business tax certificate issued under the provisions of this chapter shall contain the following information:

A. The name of the person to whom the certificate is issued;

B. The name and type of business certified;

C. The place where such business is to be transacted and carried on;

D. The date of the expiration of such certificate;

Whenever the tax imposed under the provisions of this chapter is measured by the number of vehicles, devices, machines or other pieces of equipment used, or whenever the business tax is measured by the gross receipts from the operation of such items, the Collector may issue only one certificate; provided that he may issue for each tax period for which the business tax has been paid one identification sticker, tag, plate, or symbol for each item included in the measure of the tax or used in a business where the tax is measured by the gross receipts from such items.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.130 Statements and records.

No statements shall be conclusive as to the matters set forth therein, nor shall the filing of the same preclude the City from collecting by appropriate action such sum as is actually due and payable hereunder. Such statement and each of the several items therein contained shall be subject to audit and verification by the Collector, his deputies, or authorized employees of the City, who are hereby authorized to examine, audit, and inspect such books and records of any person registering for certification as may be necessary in their judgment to verify or ascertain the amount of business tax due.

All persons subject to the provisions of this chapter shall keep complete records of business transactions, including sales, receipts, purchases, and other expenditures, and shall retain all such records of examination by the Collector. Such records shall be maintained for a period of at least three years. No person required to keep records under this section shall refuse to allow authorized representatives of the Collector to examine said records at reasonable times and places.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.140 Information confidential.

It is unlawful for the Collector or any person having an administrative duty under the provisions of this chapter to make known in any manner the business affairs, operations, or information obtained by an investigation of records and equipment of any person required to obtain a certificate, or pay a business tax, or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth in any statement or registration, or to permit any statement or registration, or copy of either, or any book containing any abstract or particulars thereof to be seen or examined by any person. Provided that nothing in this section shall be construed to prevent:

A. The disclosure of information to, or the examination of records and equipment by, another City official, employee, or agent for collection of taxes for the sole purpose of administering or enforcing any provisions of this chapter, or collecting taxes imposed hereunder;

B. The disclosure of information to, or the examination of records by federal, state, or local law enforcement officials, or to the tax officials of any state, city or county, or city and county, if a reciprocal arrangement exists, or to a grand jury or court of law, upon subpoena;

C. The disclosure of information and results of examination of records of particular taxpayers, or relating to particular taxpayers, to a court of law in a proceeding brought to determine the existence or amount of any business tax liability of the particular taxpayers to the City;

D. The disclosure after the filing of a written request to that effect, to the taxpayer himself, or to his successors, receivers, trustees, executors, administrators, assignees and guarantors, if directly

interested, of information as to the items included in the measure of any paid tax, any unpaid tax or amount of tax required to be collected, interest and penalties; further provided, however, that the City Attorney approved each such disclosure and that the Collector may refuse to make any disclosure referred to in this paragraph when in his opinion the public interest would suffer thereby;

E. The disclosure of the names and addresses of persons to whom certificates have been issued, and the general type or nature of their business;

F. The disclosure by way of public meeting or otherwise of such information as may be necessary to the City Council in order to permit it to be fully advised as to the facts when a taxpayer files a claim for refund of business taxes, or submits an offer of compromise with regard to a claim asserted against him by the City for business taxes, or when acting upon any other matter;

G. The disclosure of general statistics regarding taxes collected or business done in the City.

(Ord. 7269 § 2, 2014; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.150 Failure to file statement or corrected statement.

If any person fails to file any required statement within the time prescribed, or if after demand therefore made by the Collector he fails to file a corrected statement, or if any person subject to the tax imposed by this chapter fails to register for a certificate, the Collector may determine the amount of business tax due from such person by means of such information as he may be able to obtain.

If the Collector is not satisfied with the information supplied in statements or registrations filed, he may determine the amount of any business tax due by means of any information he may be able to obtain.

If such a determination is made the Collector shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States Post Office at Riverside, California, postage prepaid, addressed to the person so assessed at his last known address.

(Ord. 6923 § 11, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.160 Appeal.

A. Any person aggrieved by any decision of the Collector or of any other officer of the City made pursuant to the provisions of this chapter may appeal therefrom to the Collector, or his designee, not later than 30 days after notice thereof, unless a later date is agreed to by the Collector and the appellant. The Collector shall give notice of the hearing to the appellant no later than ten days prior to such hearing. At such hearing the appellant may appear and offer evidence why the assessment should not be confirmed and fixed as the business tax, or why any other decision should not be reversed or otherwise modified. After such hearing the Collector shall determine and reassess the proper tax to be charged or determine whether any other decision appealed from shall be confirmed, reversed, or otherwise modified and shall give written notice thereof to the applicant by serving it personally or by depositing it in the United States Post Office at Riverside, California, postage prepaid, addressed to the person so assessed at his last known address.

B. If, after having first appealed to the Collector, as required in subsection A, any person still aggrieved by an adverse decision of the Collector, made pursuant to the provisions of this chapter concerning such person's business tax, may appeal to the City Manager within 15 days after notice of said adverse decision by filing with the Collector a written notice of appeal, briefly stating the grounds relied upon for such appeal.

C. If such appeal is made within the time prescribed, the Collector shall cause the matter to be set for hearing before the City Manager or his designee within 30 days from the date of receipt of such notice of appeal, giving the appellant not less than ten days' written notice of the time and place of such hearing. The City

Manager or his designee may appoint an Employee Hearing Officer to conduct the hearing on the matter and render a written recommendation to the City Manager or his designee.

D. The City Manager or his designee shall render a decision on the appeal and give notice thereof to the Collector no later than 20 days following completion of the hearing thereon or, in the event such hearing is held by an Employee Hearing Officer, within 30 days following completion of the hearing thereon. After receiving notice of such decision, the Collector shall determine and reassess the proper tax to be charged and shall give written notice thereof, or of the decision made as to any other decision appealed, to the applicant by serving it personally or by depositing it in the United States Post Office at Riverside, California, postage prepaid, addressed to the person so assessed at his last known address.

E. If, after having first appealed to the Collector and the City Manager, as required in subsections A and B, any person still aggrieved by an adverse decision made pursuant to the provisions of this chapter concerning such person's business tax, may appeal to the City Council within 15 days after notice of said adverse decision by filing within 15 days after notice of said appeal, briefly stating the grounds relied upon for such appeal. If such appeal is made, the Collector shall cause the matter to be set for hearing before the City Council. The Collector shall give at least ten days notice to such person of the time and place of hearing. The City Council shall consider all evidence produced, and shall make findings thereon, which shall be final. After such hearing the Collector shall determine and reassess the proper tax to be charged and shall give written notice thereof, or of the decision made as to any other decision appealed, to the applicant by serving it personally or by depositing it in the United States Post Office at Riverside, California, postage prepaid, addressed to the person so assessed at his last known address.

F. If, during the appeal process, no timely appeal is made, any decision rendered by the Collector or City Manager shall become final and conclusive upon the expiration of the time set herein for filing an appeal.

(Ord. 6923 § 12, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.170 Extension of time and waiver of penalty.

In addition to all other powers conferred upon him, the Collector shall have the power, for good cause shown, to extend the time for filing any required sworn statement or registration and, in such case to waive any penalty imposed, or charge demanded, that would otherwise have accrued, and, if the Collector so determines, eight percent simple interest shall be added to any tax determined to be payable. For owners of a newly registered Residential Rental business, the Collector shall have the power, for good cause shown, to waive any past due tax assessed for prior years that would otherwise have accrued, provided that the business owner has less than four residential rental properties containing two or fewer residential rental units. The Collector shall also have the authority, for good cause shown, to waive any penalty imposed, charge demanded, or any past due tax assessed for prior years that would otherwise have accrued.

(Ord. 7390 § 1, 2017; Ord. 7282 § 4, 2015; Ord. 6923 § 13, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.180 Business tax certificate nontransferable—Changed location and ownership.

A. No certificate issued pursuant to this chapter shall be transferable; provided, that where a required certificate is issued to a person to transact and carry on a business at a particular place, such certificate holder may, upon application therefore and paying a fee of $2.00, have the certificate amended for the transacting and carrying on of such business under said certificate at some other location to which the business is to be moved. Any additional amendment to the business tax certificate such as name changes, etc., shall be made upon application therefore accompanied by a payment of $2.00 for each such amendment.

B. Provided further that transfer, whether by sale or otherwise, to another person under such circumstances that the real or ultimate ownership after the transfer is substantially similar to the ownership existing before the transfer, shall not be prohibited by this section.

C. In the event a certificate holder is a corporation, a new certificate shall be required when there is an actual change in control or when ownership of more than 50 percent of the voting stock of the certificate holder is acquired by a person or group of persons acting in concert, none of whom already own 50 percent or more of the voting stock, singly or collectively.

D. In the event a certificate holder is a partnership, a new certificate shall be required when there is an actual change in ownership and 50 percent or more of the business is acquired by a person or group of persons acting in concert, none of whom already own 50 percent or more of such business, singly or collectively.

E. For the purpose of this section stockholders, partnerships, or other persons holding an interest in a corporation or other entity herein defined to be a person are regarded as having the real or ultimate ownership of such corporation or other entity.

F. Transfer of the certificate does not permit operation of a business in violation of other Municipal Code sections.

G. The Collector shall cancel a valid unexpired certificate issued or granted to the certificate holder pursuant to this chapter at the request of the certificate holder provided:

1. The certificate holder so endorses, signs and surrenders the certificate receipt along with any applicable decal, sticker or tag, and

2. All business activity pursuant to the certificate has ceased.

(Ord. 6923 § 14, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.190 Duplicate business tax registration notice and/or certificate.

A duplicate certificate or registration may be issued by the Collector to replace any certificate or registration previously issued hereunder which has been lost or destroyed upon the certificate or registration holder filing statement of such fact, and at the time of filing such statement paying to the Collector a duplicate business tax fee of $10.00.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.200 Posting and keeping business tax certificate.

A. Any certificate holder transacting and carrying on business at a fixed place of business in the City shall keep the certificate posted in a conspicuous place upon the premises where such business is carried on.

B. Any certificate holder transacting and carrying on business but not operating at a fixed place of business in the City shall keep the certificate upon his person at all times while transacting and carrying on the business for which it is issued.

C. Whenever identifying stickers, tags, plates, or symbols have been issued for each vehicle, device, machine, or other piece of equipment included in the measure of a business tax, the person to whom such stickers, tags, plates, or symbols have been issued shall keep firmly affixed upon each vehicle, device, machine, or piece of equipment the identifying sticker, tag, plate, or symbol which has been issued therefor at such locations as are designated by the Collector. Such sticker, tag, plate, or symbol shall not be removed from any vehicle, device, machine, or piece of equipment kept in use, during the period for which the sticker, tag, plate, or symbol is issued.

D. No person shall fail to affix as required herein any identifying sticker, tag, plate, or symbol to the vehicle, device, machine, or piece of equipment, for which it has been issued at the location designated by the Collector, and no person shall give away, sell, or transfer such identifying sticker, tag, plate, or symbol to another person, or permit its use by another person.

E. Every individual or firm operating, maintaining, leasing or letting the use of any coin-operated machine or device shall maintain thereon a label conspicuously placed to indicate the name, address, telephone number of such individual or firm.

(Ord. 6923 § 15, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.210 Business tax—When payable.

Unless otherwise specifically provided, all annual business taxes shall be due and payable in advance on or before the expiration date of the then current business tax certificate or on or before the first day of business for any new business. Business taxes for periods other than the annual period are payable in advance on or before the first day of business and thereafter on or before the first day of each applicable period. All business taxes paid on or before the expiration date of the then current business tax certificate will be given a 5% discount for early renewal.

(Ord. 7390 § 1, 2017; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 5010 § 1, 1982; Ord. 4063 § 1, 1973; Ord. 3804 (part), 1971)

5.04.220 Delinquent taxes—Penalties.

For failure to renew and pay a business tax when due, the Collector shall add the following penalties: 30 percent of the business tax 60 days after the due date; 50 percent 90 days after the due date; and 75 percent 120 days after the due date.

For failure to register a new business and pay the business tax when due, the Collector shall add the following penalties: 30 percent of the business tax 60 days after the due date; 50 percent 90 days after the due date and 75 percent 120 days after the due date.

In no event shall the amount of such penalties to be added exceed 75 percent of the amount of the business tax due. When the due date of the business tax falls on a Saturday, Sunday or state or national holiday, payment of the business tax due may be made without penalty on the first working day following the holiday.

For the purposes of this chapter, postmarks shall be accepted as the date of payment made provided the transmitting envelope contains a postage cancellation not later than 12:00 a.m. on the due date.

No certificate or sticker, tag, plate, or symbol shall be issued, nor one which has been suspended or revoked shall be reinstated to any person, who at the time of registering therefore, is indebted to the City for any delinquent business taxes.

(Ord. 7390 § 1, 2017; Ord. 6923 § 16, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 5178 § 1, 1984; Ord. 4063 § 2, 1973; Ord. 3804 (part), 1971)

5.04.230 Application for refund.

A. Any business tax, or penalties or interest thereon, or portion thereof, may be refunded, if they were:

1. Paid more than once;

2. Erroneously or illegally collected;

3. Paid in excess of the correct amount due;

4. Issued for a business which subsequently does not operate in the City, due to applicant's inability to obtain additional permits required under any provision of this Code.

In such case, the applicant shall be entitled to a refund of the business tax paid less a $20.00 processing charge, without further deduction to cover the administrative cost therefore.

B. No refund of business taxes shall be made upon termination of a business that does not meet the criteria set forth in this section, or for any unused portion or term of a business tax period.

C. No refund of monies howsoever paid or collected shall be allowed in whole or in part unless an application therefore is filed with the Collector within a period of One year from the expiration of the business tax certificate period for which a refund is sought, and all such claims for refund must be filed with the Collector on forms furnished by him or her in the manner prescribed by him or her. Such application may be made only by the person who made the payment, his or her guardian, executor, administrator or heir. Refunds shall not be made to an assignee of the application. Upon the filing of such a claim, and when he or she determines that a refund is warranted, the Collector shall refund the amount warranted, less a $15.00 processing charge, to cover the administrative cost of the refund. Provided, however, that in the case of a refund made pursuant to subsection 2, and where applicable, subsection 4, no deduction shall be made on account of the administrative cost therefore. The failure to file such application within the time prescribed herein shall bar any future right of recovery.

D. Where the Collector has determined that a refund is due upon a particular business tax certificate, but where the applicant is at the same time determined to be delinquent or otherwise liable for a business tax upon a separate business tax certificate; then in that event, the Collector shall apply said refund amount to the balance owing and delinquent for said business. The Collector shall then refund any amount remaining.

E. No refund shall be made where the business tax certificate was issued under a misrepresentation of fact by the applicant and/or such applicant actually engaged in the conduct of the business for which the business tax certificate was granted prior to the date stated in applicant's original application.

F. In all cases proof of payment shall be a prerequisite to any refund.

(Ord. 7390 § 1, 2017; Ord. 6923 § 17, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.240 Administrative rules and regulations.

The Collector may make rules and regulations not inconsistent with the provisions of this chapter as may be necessary or desirable to aid in the enforcement of the provisions of this chapter.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.250 Enforcement.

It shall be the duty of the Collector, and he is directed to enforce each and all of the provisions of this chapter, and the Chief of Police shall render such assistance in the enforcement hereof as may from time to time be required by the Collector.

The Collector in the exercise of the duties imposed upon him hereunder, and acting through his deputies or duly authorized assistants, shall examine or cause to be examined all places of business in the City to ascertain whether the provisions of this chapter have been complied with.

The Collector, and each and all of his assistants and any police officer shall have the power to seal the coin openings of slots of nonidentified or unlicensed coin-operated machines in a manner which will render inoperative

the coin devices on any machine or device not otherwise exempted by the provisions of the chapter which is found available to the public for operation and which does not have stamped or affixed thereon the required identification or for which the proper business tax has not been paid in full; in lieu thereof, he or she may seize and hold any such machine for the payment of such.

The Collector and each and all of his assistants and any police officer shall have the power and authority to enter free of charge, during business hours, any place of business required to be certified herein, and demand an exhibition of a certificate and a sales and use tax permit. Any person having such certificate, or sales or use tax permit, in his possession or under his control, who willfully fails to exhibit the same on demand, shall be guilty of a misdemeanor and subject to the penalties provided for by the provisions of this chapter. It shall be the duty of the Collector and each of his assistants to cause a complaint to be filed against any and all persons found to be violating any of said provisions.

The Collector and each and all of his assistants and any police officer are authorized to issue a written notice to appear upon persons whom they have a reasonable cause to believe have violated any provisions of this section.

The Collector and each and all of his assistants are authorized to issue an administrative citation upon any person whom they have reasonable cause to believe has violated any provision of this section. The City may pursue any unpaid fines or penalties and their costs pursuant to Section 1.17.090.

(Ord. 7390 § 1, 2017; Ord. 6923 § 18, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.260 Business tax a debt.

The amount of any business tax and penalty imposed by the provisions of this chapter shall be deemed a debt to the City. An action may be commenced in the name of said City in any court of competent jurisdiction, for the amount of any delinquent business tax and penalties.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.270 Remedies cumulative.

The conviction and punishment of any person for engaging in any business without first obtaining a certificate to conduct such business shall not relieve such person from paying the business tax fee due and unpaid at the time of such conviction, nor shall the payment of any business tax fee prevent a criminal prosecution for the violation of any of the provisions of this chapter. All remedies prescribed hereunder shall be cumulative and the use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions hereof.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.280 Effect of chapter on past actions.

Neither the adoption of the ordinance codified herein nor its superseding of any portion of any other ordinance of the City shall be construed to affect in any manner the City's ability to prosecute for violation of any other ordinance committed prior to adoption of this ordinance, nor be construed as a waiver of any business tax certificate or any penal provision applicable to any such violation, nor be construed to affect the validity of any bond or cash deposit required by any ordinance to be posted, filed or deposited, and all rights and obligations thereunto appertaining shall continue in full force and effect.

(Ord. 7390 § 1, 2017; Ord. 6923 § 19, 2007; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 4063 § 3, 1973; Ord. 3804 (part), 1971)

5.04.300 Business tax.

Every person who engages in business within the City shall pay a business tax as set forth in this section.

The maximum annual tax payable for businesses taxed at the rates established in subdivisions 5.04.300.A.2 and 3 of this section shall be $4,000.00 as of July 1, 1989, and shall be automatically adjusted November 1 of each year thereafter, upward or downward, equivalent to the most recent change in the annual average of the consumer price index as published by the Bureau of Labor Statistics of the United States Department of Labor for Riverside-San Bernardino-Ontario metropolitan area or five percent, whichever is less.

For purposes of calculating the annual inflator/deflator under this section, the formula detailed in Section 5.04.330 shall be used.

A. *Tax rates based upon gross receipts*. Every person who engages in business in the City shall pay a business tax based upon gross receipts unless specifically assigned a different tax rate in a subsequent schedule.

1. *Classification "A" Retail Sales*. All businesses consisting of selling at retail, manufacturing and selling at retail, services, rental of residential and nonresidential real estate, hotels, motels, bowling alleys, skating rinks, food establishments, convalescent hospitals, child care centers, day nurseries, babysitters and pawnbrokers will be classified in this category and shall pay an annual business tax as follows:

    a. Minimum tax of $65.00 for the first $25,000.00 of gross receipts and in addition thereto, the sum of $0.44 per year for each additional $1,000.00 of gross receipts or fractional part thereof in excess of $25,000.00 but less than $500,000.00 and in addition thereof, the sum of $0.11 per year for each additional $1,000.00 of gross receipts or fractional part thereof in excess of $500,000.00.

2. *Classification "B" Wholesale Sales, Manufacturing, Newspapers, News Agencies and Telephone Companies*. All businesses consisting of selling at wholesale, manufacturing, packing, processing, managing or carrying on a business consisting mainly of newspapers, news agencies and similar publishing businesses, and telephone companies will be classified in this category and shall pay an annual business tax as follows:

    a. Minimum tax of $65.00 for the first $50,000.00 of gross receipts and in addition thereof, the sum of $0.22 per year for each additional $1,000.00 of gross receipts or fractional part thereof in excess of $50,000.00 but less than $1,000,000.00 and in addition thereto, the sum of $0.06 per year for each additional $1,000.00 of gross receipts or fractional part thereof in excess of $1,000,000.00.

3. *Classification "C" Motor Vehicle Dealers—New and Used*. Any person conducting, managing, or carrying on the business of selling automobiles, and heavy equipment only, whether at retail or wholesale, will be classified in this category and shall pay an annual business tax of:

    a. Minimum tax of $65.00 for the first $50,000.00 of gross receipts and in addition thereof, the sum of $0.33 per year for each additional $1,000.00 of gross receipts or fractional part thereof in excess of $50,000.00 but less than $750,000.00 and in addition thereto, the sum of $0.09 per year for each additional $1,000.00 of gross receipts or fractional part thereof in excess of $750,000.00.

4. *Classification "D" Vending Machines—Merchandise*. Any person conducting, managing or carrying on the business of leasing any merchandising machines, where merchandise is received by inserting coins or tokens, will be classified in this category and shall pay an annual business tax of:

Base fee$40.00

Plus $0.52 per $1,000.00 gross receipts

The provisions of this subsection are not applicable to any vending machines maintained and owned by the proprietor of an established place of business if the following conditions exist:

a. The machines are owned, serviced and maintained by the proprietor of an established place of business who is the holder of a business tax certificate which is issued for the place of business where the machine is maintained and operated;

b. The machine vends only tangible personal property which is owned by the proprietor.

B. *Tax rates based upon number of employees or other units*. Every person conducting business hereinafter listed shall pay a business tax as follows:

1. *General services*. All persons engaged in business of a service nature, and not specifically enumerated elsewhere in this chapter, shall pay an annual business tax of:

Base fee$75.00

Plus per owner, partner, corporate officer or employee
Each$6.00

2. *Professional services*.

Base fee$115.00

Plus per professional employee$115.00

Plus per non-professional employee$6.00

3. *Contractors*.

a. Engineering or General Contractor$160.00

Plus per non-professional employee$6.00

b. Specialty Contractor$110.00

Plus per employee$6.00

c. It shall be the responsibility of every general building, engineering, prime contractor and owner-builder to require subcontractors under his control or direction to pay a business tax as herein provided before permitting said subcontractor to begin or perform services for said general building, engineering, prime contractor or owner-builder.

d. Every person acting as a general contractor, whether building for their own occupancy or not, shall file with the Collector, no later than 15 City business days prior to requesting a final inspection, a full, true and complete written statement, signed by such person, under penalty of perjury, listing all subcontractors who have performed or shall perform any service whatsoever for such person within the City for which a business tax certificate is required under the provisions of this chapter. Any owner-builder, general building contractor, engineering contractor, specialty contractor, or subcontractor, subcontracting any work shall be deemed a general contractor for the purpose of this section. Said statement shall include the name, address, telephone number, business tax certificate number, state license number and specialty classification, and the Riverside start work date of each person required to be taxed. Any general contractor that fails to file a listing of subcontractors shall be liable for the fee otherwise payable by the subcontractor.

e. In order to obtain a business tax clearance at the time of issuance of a building permit, any general contractor may deposit an amount determined by the Collector, which amount shall not exceed $3,000.00, $1,000.00 per subcontractor for up to a maximum of three subcontractors, to be applied to the business tax due from any person who performs services on the job site for which the building permit was issued. The general contractor may, at the time of completion of the project for which the deposit was made, submit the list of subcontractors as described in subsection d, above, and upon showing of proof of payment of the business tax due and owing from all subcontractors performing services at the job site, request a refund of any deposit overpayment. In the event that the general contractor does not request a refund within 180 days from the date of issuance of a certificate of occupancy for the project, the right to any refund of the deposit shall be forfeited.

f. In order to obtain a business tax clearance at the time of issuance of a building permit, the applicant shall comply with section 16.04.300 of this Code.

4. *Recreation and entertainment services*.

a. *Amusement center—Permanent fixed location*. Includes any location where mechanical devices or animals are maintained for furnishing rides or entertainment.

First ten devices, rides, etc.—Annual$60.00

Per additional device, ride, etc.—Annual$13.00

b. *Amusement rides, devices, etc.—Temporary*. Includes all rides, devices, etc., not otherwise defined in Section 5.04.300B.4.c.

First ten rides, etc.—Daily$30.00

Per ride in excess of ten.—Daily$6.00

c. Carnival, circuses, tent shows and open air shows

First day$250.00

Each additional day$125.00

d. Reserved

e. Reserved

f. Billiards or pool.

First table at each location—Annual$55.00

Each additional table—Annual$10.00

g. Boxing, wrestling and other professional athletic exhibitions.

Daily$125.00

h. Theatrical performance.

First day$250.00

Each additional day$125.00

i. Special show, no merchandise for sale.

Each show—Annual$90.00

Each show—Daily$30.00

j. Special show, with merchandise for sale.

Each show—Annual$180.00

Each show—Daily$60.00

k. *Theaters and shows*. For every person engaged in the business of conducting a theater or show in an established place of business within a permanent building, including musical, vocal, theatrical or operatic concerts or performances, or at an established place of business constructed for theatrical purposes of the type commonly referred to and called "drive-in theater," the business tax shall be as follows:

First 100 seats—Annual$150.00

Each additional 100 seats or fraction thereof—Annual$20.00

For the purpose of determining the seating capacities of "drive-in theaters," each car space shall equal two seats.

l. For each limited-time performance, activity, event or exhibit held in City-owned and City-operated facilities, a daily fee of $25.00. Said tax is imposed upon each sponsor of such events and not upon each participant or exhibitor.

Business conducted in conjunction with amusement businesses, such as eating and drinking establishments, shall be subject to additional business taxes applicable to such type of business.

5. Miscellaneous businesses.

a. Advertising, outdoor.

Each billboard—Annual$85.00

b. Ambulance service.

Each vehicle—Annual$30.00

c. Automobile parking.

Minimum ten spaces—Annual$30.00

Each additional space in excess of ten—Annual$3.00

d. Laundries and dry cleaners, automatic self-service.

Minimum tax—Annual$75.00

Plus per each machine—Annual$4.00

e. Shoeshine stand.

Per operator—Annual$30.00

f. Christmas tree pumpkins, or other seasonal sales.

Each location, per season$40.00

g. Vending machines—Game, phonograph, weighing, and all other coin-operated machines not vending merchandise, unless otherwise enumerated.

Each machine—Annual$30.00

h. Limited time outdoor or indoor events—Daily

Each location operator—Annual$375.00

Each vendor—Daily$3.00

(i) Includes any limited time outdoor or indoor event, other than swap meets as defined in Section 5.48.010, of one week or less, where goods are displayed and/or sold.

(ii) Each daily vendor participating in any limited time outdoor or indoor event shall pay a tax in the amount specified in this section. Such tax shall constitute a debt owed by the vendor to the City and shall be extinguished only by payment to the operator of the event. The vendor shall pay a tax to the operator at the time and on each day the vendor participated in the event. Each operator shall be responsible for the collection of the vendor tax and the amount of the tax shall be separately stated from any other moneys collected by the operator. The fee shall be in addition to any other business tax required by this chapter.

(iii) On or before the fifteenth day of the month following the close of the calendar month, each operator shall file a return with the Collector showing the total amount of the taxes collected under this section and such other information as may be required by the Collector. At the time the return is filed, the operator shall remit the full amount of the taxes collected to the Collector. Returns and payments shall be due immediately upon cessation of business by the operator for any reason.

(iv) Every operator shall hold all taxes collected under this section in trust for the account of the City until payment thereof is made to the Collector.

i. *Peddlers and salesmen—Itinerant.* For the business of peddling any goods, wares, merchandise or other things of value, not otherwise specifically certified by this section, for each peddler, salesman, or employee—Daily$30.00

"Peddling" means and includes traveling or going from place to place or from house to house within the City and peddling, hawking, vending or selling any goods, wares or merchandise carried or caused to be carried or conveyed by or with the person peddling, hawking, vending or selling the same.

The provisions of this subsection shall not apply to commercial travelers or agents selling goods, wares or merchandise to dealers at wholesale, to persons who use the purchased goods, wares or merchandise in the making of a product to be manufactured in the City, or to persons exempt under the interstate commerce laws.

j. Taxicabs.

Per vehicle—Annual$65.00

k. Auctions.

Annual$775.00

Daily$75.00

l. Delivery by vehicle.

Per vehicle—Annual$50.00

m. Swap meets (as defined in Section 5.48.010 of the Riverside Municipal Code).

Each location operator—Annual$375.00

Each vendor—Daily (except Sunday)$1.00

Each vendor—Daily (Sunday only)$2.00

The operator of each swap meet shall be responsible for the collection and payment to the City of the business tax for each vendor herein provided.

(i) Each swap meet vendor participating in a swap meet shall pay a tax in the amount specified in this section. Such tax shall constitute a debt owed by the swap meet vendor to the City and shall be extinguished only by payment to the swap meet operator. The swap meet vendor shall pay the tax to the swap meet operator at the time and on each day the swap meet vendor participated in the swap meet. Each swap meet operator shall be responsible for the collection of the vendor tax and the amount of the tax shall be separately stated from any other moneys collected by the swap meet operator. The fee shall be in addition to any other business tax required by this chapter.

(ii) On or before the fifteenth day of the month following the close of the calendar month, each swap meet operator shall file a return with the Collector showing the total amount of the taxes collected under this section and such other information as may be required by the Collector. At the time the return is filed, the swap meet operator shall remit the full amount of the taxes collected to the Collector. Returns and payments shall be due immediately upon cessation of business by the swap meet operator for any reason.

(iii) Every swap meet operator shall hold all taxes collected under this section in trust for the account of the City until payment thereof is made to the Collector.

(Ord. 7650 § 1, 2023; Ord. 7459 § 11, 2019; Ord. 7390 § 1, 2017; Ord. 7341 § 4, 2016; Ord. 7229 § 6, 2013; Ord. 6956 §1, 2007; Ord. 6923 § 20, 2007; Ord. 5837 §§ 1, 2, 1990; Ord. 5786 §§ 1, 2, 1989; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 5724 §§ 1, 2, 1989; Ord. 5237 § 1, 1984; Ord. 5227 § 1, 1984; Ord. 5147 §§ 1, 2, 1983; Ord. 5127 § 1, 1983; Ord. 5048 § 1, 1982; Ord. 4302 § 1, 1976; Ord. 4176 §§ 1, 2, 1974; Ord. 3835 §§ 1, 2, 1971; Ord. 3804 (part), 1971)

5.04.306 Business tax rate reductions—Local enterprise zones.

A. Notwithstanding anything to the contrary in this chapter, the business taxes to be paid by those new industrial or commercial developments commencing business in the City on or after the establishment of a local enterprise zone by resolution of the City Council for the area encompassing said business, excluding retail firms, creating at least five new permanent jobs and by those existing industrial or commercial developments located within said local enterprise zone, excluding retail firms, which have expanded after the designation of said local enterprise zone and which expansion results in an increase of ten percent in the number of permanent jobs for that business at that location subject to a minimum increase of five additional jobs, shall be reduced for a three-year period in accordance with the following schedule; provided, however, that each such business seeking to qualify for the reduction will be required to add value to the existing assessed valuation of the subject property by investing at least $500,000.00 over a five-year period in new construction and/or tenant improvements; and further provided that the reduction for those existing industrial or commercial developments which are expanding shall be limited to that portion of the business tax attributable to such expansion and not to the existing development: by 75 percent in the first year following the opening of a new business or the expansion of an existing business; by 50 percent in the second year; and by 25 percent in the third year. No reductions shall be granted in the fourth or any following year.

B. To permit the reduction as above provided, the person registering for the certificate must submit a verified statement in writing to the Finance Department at City Hall upon a form provided by the tax collector claiming the reduction and with such supporting documentation as may be required by the tax collector to establish the applicability of the provisions of this section.

C. "First year" as used in this section means for a new industrial or commercial development, the 12-month period immediately following the date of commencement of business at the location for which the reduction in taxes is claimed; and for the expansion of an existing business, the next tax year immediately following the date the required number of additional employees report to work at the location for which a claim is filed.

D. "Retail firm" as used in this section means a firm or business which derives 50 percent or more of its gross receipts from direct and final sales of goods or services to the general public.

E. "Local enterprise zone" means those economically depressed areas of the City so designated as a local enterprise zone from time to time by resolution of the City Council, the boundaries of which are specifically described in said resolution.

(Ord. 6168 § 2, 1994)

5.04.307 Business tax rate reductions—Retention of manufacturing business.

Notwithstanding anything to the contrary in this chapter, the business taxes to be paid by those manufacturing business as may be designated from time to time by resolution of the City Council as hereinafter provided shall be reduced for a three-year period in accordance with the following schedule: by 75 percent in the first tax year of such business following the designation of the business by resolution of the City Council; by 50 percent in the second tax year; and by 25 percent in the third tax year. No reductions shall be granted in the fourth or any following year. The City Council may by resolution designate a manufacturing business as able to obtain the reduction in its business taxes as herein provided upon a finding by the City Council that reductions in certain fees, charges or taxes are necessary to retain a major manufacturing business with no less than 500 permanent employees within the City and that such retention is in the City's economic best interests.

(Ord. 6250 § 2, 1995)

5.04.310 Outside businesses.

Every person not having a fixed place of business within the City who engages in business within the City and is not subject to the provisions of Section 5.04.300(B) shall pay a business tax at the same rate prescribed in this chapter for persons engaged in the same type of business from and having a fixed place of business within the City.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.320 Severability.

If any section, subsection, sentence, clause, phrase or portion of this chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The City Council of this City declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases or portions be declared invalid or unconstitutional.

(Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989; Ord. 3804 (part), 1971)

5.04.330 Adjustment for inflation/deflation.

Each tax, including each of its components, together with any other charges which are imposed pursuant to this chapter, shall be automatically adjusted on July 1, 1991, and on November 1 of each year thereafter, upward or downward, equivalent to the most recent change in the annual average of the consumer price index as published by the Bureau of Labor Statistics of the United States Department of Labor for the Riverside-San Bernardino-Ontario metropolitan area or five percent, whichever is less.

For purposes of calculating the annual inflator/deflator factor under this section, the base year shall be that year ending with the quarter ending March 31, 1991. Rates shall first be adjusted on July 1, 1991, and thereafter, based on the annually calculated change from the base year. Said change shall be rounded off to the nearest whole percent per hundred as follows: If the remaining fraction of a percent is forty-nine one-hundredths of a percent or less such fraction shall be omitted. If the remaining fraction of a percent is fifty one-hundredths of a percent or more, the next highest percent shall be applied. The base tax of calculated tax rates shall be rounded off to the nearest $0.25, while each additional multiple of gross receipts tax rates shall be rounded to the nearest $0.01, and all additional tax rate multiples shall be rounded to the nearest dollar. A similar method of computation shall be used in the application of the annual inflator/deflator factor to the amount of each flat fee, deposit or other charge required pursuant to this chapter, which amount shall be rounded off to the nearest dollar.

(Ord. 7459 § 12, 2019; Ord. 5732 § 1, 1989; Ord. 5731 § 1, 1989)