



Proposed Action Plan To Implement Enhancements to the City's Business Tax Program

Finance Department
Business Tax Division

August 2017

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INTRODUCTION

In June 2016, the Internal Audit Division presented to the Government Affairs Committee recommendations stemming from an audit of the City's Business Tax Division.

In response to the audit, in close collaboration with the Greater Riverside Chambers of Commerce, City staff developed this proposed Action Plan (Action Plan) to enhance the City's Business Tax Program. The intent of the Action Plan is to create a more business friendly environment in Riverside, with a concentrated focus on informing and educating existing and potential new businesses about business tax requirements; encouraging new business, business retention and expansion by making it easier to operate in the City; and reducing penalties for non-payment or late payment in favor of incentives for paying early or on time.

On April 27, 2017, the Greater Riverside Chambers of Commerce Board of Directors voted to support the Action Plan. Highlights of the Action Plan are presented below:

- There will be NO new or increased fees.
- Penalties for late payment will be REDUCED, and there will be ADDITIONAL REMINDERS from the City regarding payment due dates.
- Businesses paying their business tax early will receive a DISCOUNT.
- The City will roll out a proactive, concentrated, business-friendly EDUCATIONAL CAMPAIGN to inform and educate existing and potential new businesses regarding business tax requirements.
- The City will offer a six month AMNESTY PROGRAM to encourage businesses that have not paid their taxes to register and become current.
- Enhanced online options have already been implemented, and make it possible for businesses to apply for or renew their Business Tax Certificate online, and/or update account information.

The Action Plan will be presented to the Governmental Affairs Committee on August 2, 2017 and the City Council on August 22, 2017.

SUMMARY OF KEY ENHANCEMENTS AND TIMELINE

Over the past year, the Business Tax Division of Finance has made numerous improvements to its operations and public outreach. Below is a summary of the accomplishments to date and future efforts included in this Action Plan. Detailed discussion of the proposed changes follows.

PROPOSED ACTION PLAN AND TIMELINE

| COMPONENT | TIMELINE | COMMENTS |
|---|---|--|
| Billing Notices Increase the number of notices from 4 to 6. | November 1, 2017 First notice will be mailed to accounts with December 31, 2017 expiration date. | The first notice will be mailed 60 days prior to the account expiration date. An additional reminder notice will be mailed prior to the penalty date. |
| Penalties Reduce the overall penalties and increase penalty stages from 2 to 3: 60 Days – 30% 90 Days – 50% 120 Days – 75% (Maximum) | August 22/September 5 – City Council Implemented on accounts with a December 31, 2017 expiration date. | The grace period will remain for the first 59 days after the account expiration. |
| Communication Language Phase in an English and Spanish protocol for all notices and renewals. Educational materials will be in both English and Spanish. | June 2017 – Billing Insert in both English/Spanish July 2017 – FAQ informational flyer in both English/Spanish August 2017 – Activate Google Translator to work with the online renewal and new application process. | Google Translator will enhance the online processes by incorporating Spanish instructions for paying the annual renewal or completing a new application. |
| Online Enhancement Tools | January 2017 – Ability to apply for a new business tax account and update existing account information. April 2017 – Postcard mailed to all active business tax accounts encouraging the use of the online tools. June 2017 – Information provided on billing inserts and printed on billing envelopes. | New tools added to enhance the existing online renewal capability. |
| Early Renewal Discount Offer a 5% discount when an annual renewal is paid or postmarked prior to the account expiration date. | Will be implemented on accounts with a December 31, 2017 expiration date. | Implementation date may be subject to software delays. Business improvement district fees will NOT be impacted. Discount available for both online and mail-in renewals. |
| Educational Campaign Effort to reach out to ALL businesses operating in the City of Riverside to inform them of the City's business tax requirements. | April 2017 – Enhanced the website page for business tax Frequently Asked Questions (FAQ's) and created FAQ flyer for direct mail to new businesses. June 2017 – Distribute FAQ flyers to libraries, recreation centers, colleges, and Chambers July 2017 – Landlord Information. Direct mail to businesses that may interact with landlords. July 2017 – Landlord Information. Direct mail to businesses that may interact with landlords. | Campaign will include outreach to home-based, e-commerce, landlords, independent contractors and service oriented businesses. |
| Amnesty Program Rollout | August 2017 – Governmental Affairs (Approval of Concept) August 2017 – City Council (Approval of Legislation) December 2017 – Advertisement of Program January 2018 – Program Begins June 2018 – Amnesty Ends | Advertisement through Website, RPU bill insert/FAQ, PSA's Riverside TV, Spanish TV/radio, Press Enterprise, Explore magazine, and social media. |

NOTICES

Current Practice:

Currently, the Business Tax Division sends up to four (4) notices to businesses for the annual renewal of their Business Tax Certificate:

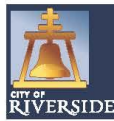
- **1st Notice:** Renewal notice sent 30 days prior to expiration of Business Tax Certificate.
- **2nd Notice:** Reminder notice sent 30 days prior to late penalties being added to Business Tax Certificate renewal (59 day grace period included on all expired Business Tax Certificates).
- **3rd Notice:** Penalty notice sent 60 days after expiration of Business Tax Certificate.
- **4th Notice:** Penalty notice sent 90 days after expiration of Business Tax Certificate.

Recommended Enhancements:

Staff will implement a notification system that will send up to six (6) notices to business for the annual renewal of their Business Tax Certificate. Major changes include sending an additional notice prior to expiration and an additional notice prior to implementation of late penalties:

- **1st Notice:** Renewal notice sent 60 days prior to expiration of Business Tax Certificate (white notice).
- **2nd Notice:** Renewal notice sent 30 days prior to expiration of Business Tax Certificate (white notice).
- **3rd Notice:** Reminder notice sent at expiration date of Business Tax Certificate (yellow notice).
- **4th Notice:** Reminder notice sent 30 days after expiration date of Business Tax Certificate (yellow notice).
- **5th Notice:** Penalty notice sent 60 days after expiration of Business Tax Certificate (pink notice).
- **6th Notice:** Penalty notice sent 90 days after expiration of Business Tax Certificate (pink notice).

Example:



BUSINESS TAX RENEWAL 60-DAY ADVANCE NOTICE

PAYMENT DUE DATE:
12/31/2017

30% PENALTY APPLIES:
3/1/2018

50% PENALTY APPLIES:
4/1/2018

75% PENALTY APPLIES:
5/1/2018

NEW LICENSE PERIOD: XX/XX/XXXX - XX/XX/XXXX

DID YOU KNOW?

You can
renew online at:
**RiversideCA.gov/
BusinessTax**

| | | | | | |
|---|--|--------------------------------------|--|--|--|
| BUSINESS TAX ACCOUNT NO. 0147258 | | YOUR PIN NUMBER IS 0147258 | | EXPIRE DATE: 12/31/2017 | |
| Business Name: City of Riverside (Test Document) | | Phone No.: (951) 826-1234 | | NAIC Code: 0123456 | |
| Business Location: 3900 Main Street, 6th Floor Riverside, CA 92501 | | Start Date: (951) 826-1234 | | Ownership: Sole Proprietorship | |
| | | Rate Type: Services | | Number of Employees: 5 | |
| Mailing Address: 3900 Main Street, 6th Floor Riverside, CA 92501 | | BID Area: 92501 | | | |
| Description of Business: City Government | | | | <input type="checkbox"/> Business Sold _____ Date of Sale _____ <input type="checkbox"/> Business Closed _____ Date _____ <input type="checkbox"/> Outside Contractor's Only - No work in the City of Riverside at this time | |
| Federal ID No.: 0123456 | | Contractor/State License No.: | | | |
| Email Address: SampleEmail@RiversideCA.gov | | License Type: | | | |
| Resale No.: 0123456 | | Expiration Date: | | | |
| Owner Name: John Doe | | Title: Example Job Title Placeholder | | Phone: (951) 826-1234 | |
| Home Address: 3900 Main Street, 6th Floor, Riverside, CA 92501 | | | | Cell Phone: (951) 826-1234 | |
| Owner Name: Jane Doe | | Title: Example Job Title Placeholder | | Phone: (951) 826-1234 | |
| Home Address: 3900 Main Street, 6th Floor, Riverside, CA 92501 | | | | Cell Phone: (951) 826-1234 | |

Home Based Businesses: You may be eligible for a Tax Free Certificate if you meet the following criteria: Within 30 days of the above Due Date, you must provide copies of your federal and state income tax returns for the previous year showing taxable and nontaxable gross receipts from inside and outside the City. If your total gross receipts do not exceed \$10,000, you may be eligible to register and pay a \$10.00 processing fee. This review is required each year to maintain a tax free status.

BUSINESS TAX INSTRUCTIONS

Please calculate your tax according to the instructions below and enter the applicable amounts in the boxes to the right. Return this entire notice with payment attached, or go on line to RiversideCA.gov/business-tax to renew your registration and pay by credit card.

BUSINESS TAX: Your Business Tax is based upon your Gross Receipts. Enter your total Gross Receipts for the prior twelve (12) months in the Gross Receipts box to the right. Calculate your Business Tax as follows:

| Gross Receipts | Tax |
|------------------------|--|
| \$0 - \$25,000 | \$119.75 |
| \$25,001 - \$500,000 | \$119.75 + \$0.84 for each \$ 1,000 (or fractional part thereof) over \$ 25,000 |
| More than \$500,000 | \$518.75 + \$0.13 for each \$ 1,000 (or fractional part thereof) over \$ 500,000 |
| Example: GR = \$45,200 | Business Tax = \$119.75 + (20.2 x \$0.84) = \$136.72 |

Enter your total Business Tax in the Business Tax box to the right.

PENALTY: Penalty (if applicable) is 50% of the Business Tax beginning 60 days after the Due Date printed above, and 100% beginning 90 days after the Due Date printed above. Enter the appropriate amount in the Penalty box at right.

TOTAL: Add the amounts entered in boxes 1-5 on the right and enter the total in the TOTAL AMOUNT DUE box. Please remit this amount with check payable to the City of Riverside, or go to RiversideCA.gov/business-tax to renew on line.

TOTAL GROSS RECEIPTS (PRIOR 12 MONTHS)

| | |
|-------------------------|--|
| 1. BUSINESS TAX | _____ |
| 2. PENALTY, IF ANY | _____ |
| 3. BID FEE | _____ |
| 4. PRIOR BALANCE | _____ |
| 5. STATE CASP FEE | _____ |
| TOTAL AMOUNT DUE | <div style="border: 1px solid black; width: 100px; height: 20px;"></div> |

NOTICE: Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies: The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx - The Department of Rehabilitation at www.rehab.cdhwnet.gov - The California Commission on Disability Access at www.cdda.ca.gov.

I declare under penalty of perjury that the above statements are true and correct to the best of my knowledge and belief and that I have read this notice.

Signature of Owner or Representative _____

Print Name _____

Date _____

RETURN ENTIRE FORM IN ENCLOSED ENVELOPE WITH CHECK PAYABLE TO THE CITY OF RIVERSIDE

Printed 12/31/2017

Account No. 0147258

Online Pin #: 0147258

3900 Main Street, Riverside, CA 92522 • Phone (951) 826-5465 • Fax (951) 826-2356

¡Se Habla Español! Para más información llamar al (951) 826-5465.

PENALTIES AND PAYMENT COLLECTIONS

Current Practice:

Currently, the grace period for late penalties is 59 days after expiration of the Business Tax Certificate. After the grace period, the penalties increase in two (2) stages:

- **60 days:** 50% of total Business Tax Certificate
- **90 days:** 100% of total Business Tax Certificate

Recommended Enhancements:

The grace period will remain for the first 59 days after expiration of the Business Tax Certificate. Staff will implement a new penalty system that reduces the overall penalties and increases the penalty stages from two (2) to three (3):

- **60 days:** 30% of total Business Tax Certificate
- **90 days:** 50% of total Business Tax Certificate
- **120 days:** 75% of total Business Tax Certificate (maximum penalty)

Liens:

Currently, the Business Tax Division does not utilize the lien process in their collection efforts. The proposed changes include an option to place liens on real or business property owned by non-compliant businesses as a final attempt to gain compliance.

Recommended Lien Enhancements:

The City will have the ability to place a Secured/Real Property Tax on non-compliant businesses who own real property where the business activity is located. Additionally, the City will have the ability to plan an Unsecured/Personal Property Tax Lien on non-compliant businesses without ownership of real property but may only lien business property as a final collection attempt.

COMMUNICATION LANGUAGE

Current Practice:

Currently, the Business Tax Division sends all notices and education materials in English.

Recommended Enhancements:

Staff will phase in an English and Spanish protocol for all notices. During this time all notices will contain information in Spanish on how to obtain Spanish assistance. However, all educational materials will be in English and Spanish.

Example:

HOW DO I RENEW ONLINE?

Items Needed to Renew

ACCOUNT NUMBER AND PIN

These items are located at the bottom of your Renewal Notice

Based on your type of business you will also need:

Your Gross Receipts
for the prior 12 months

OR

Number of Employees

Steps to Renew

Step 1

Log on to:
RiversideCA.gov/BusinessTax

Step 2

Choose the option: **RENEW Your Annual Business License**

Step 3

The system will **calculate your fees, accept payment**, and provide you with **a receipt**.

We accept **Visa, MasterCard, Discover, or American Express**

You may also update your account information at any time by selecting the option **"Request to UPDATE Account Information."**

RiversideCA.gov/BusinessTax

CÓMO RENUEVO EN LÍNEA?

Artículos Necesarios Para Renovar

NÚMERO DE CUENTA Y DE CONTRASEÑA

Esta información se encuentran en la parte inferior de la notificación de renovación

Basado en su tipo de negocio también necesitará:

Sus Ingresos Brutos
Para los 12 meses anteriores

OR

Número de Empleados

Pasos Para Renovar

Paso 1

Ingrese a:
RiversideCA.gov/BusinessTax

Paso 2

Elija la opción: **RENEW Your Annual Business License**

Paso 3

El sistema **calculará sus honorarios, aceptará el pago** y le proporcionará un **recibo**.

Aceptamos **Visa, MasterCard, Discover, o American Express**

También puede actualizar la información de su cuenta en cualquier momento seleccionando la opción **"Request to UPDATE Account Information."**

RiversideCA.gov/BusinessTax

ONLINE ENHANCEMENTS

Enhancements to Date:

For many years the Business Tax Division has provided a process for existing businesses to renew and pay their annual Business Tax Certificate online. In January 2017, the online process was updated to allow new business tax applicants to apply and pay online. Other new online features now include the ability to update account information or close an existing account.

Steps to Promote Online Enhancements:

To encourage participation in the online processes, the Business Tax Division has incorporated a billing insert and an enhancement to the billing envelope reminding the customer of the online renewal process. This will be fully implemented with the June 2017 billing cycle. In addition, a direct mail postcard was mailed in April 2017 to all active businesses highlighting the new online options.

EARLY RENEWAL DISCOUNTS

Recommended Enhancements:

In order to facilitate timely payment of annual Business Tax Certificate renewals, a 5% early payment discount will be offered when an annual renewal is paid or postmarked prior to the account expiration date. The discount will be available for both online and mail-in renewals. The anticipated effective date, subject to any software update delays, is January 1, 2018.

Business Improvement Districts (BIDs):

The City of Riverside has three business improvement districts (BID). The BIDs assess members an additional charge for improvements and activities in each respective area that is collected through their annual business tax. The 5% early renewal discount will be applied to the individual businesses' Business Tax Certificate, but will not impact the amount paid for each BID. A summary of each BID can be found below.

Downtown Parking and Business Improvement Area (DPBIA):

- Formed in 1985.
- The annual assessment is an amount equal to one hundred percent (100%) of the business tax charge (RMC 3.46.060).
- The assessments are projected to total approximately \$350,000 for the 2017 calendar year.
- The City provides a \$100,000 matching grant to the RDP.

The Arlington Business Improvement District (ABID):

- Formed in 2002.
- The annual assessment is an amount equal to ninety percent (90%) of the business tax charge or \$400, whichever is less (RMC 3.48.070).
- The assessments are projected to total approximately \$185,000 for the 2017 calendar year fiscal year.
- The City provides a \$100,000 matching grant that the ABID

The Auto Center BID:

- Formed in 2011.
- Annual assessment of \$8,000 per year (RMC 3.49.070)
- The assessments are projected to be approximately \$112,000 for the 2017 calendar year.
- The City provides \$100,000 annually to be used towards funding the cost of a new electronic sign for the Auto Center.

EDUCATIONAL CAMPAIGN

Target Audience:

The educational campaign will be designed to reach out to all businesses operating in the City of Riverside. In addition to traditional “store front” locations, the campaign’s goal will also include outreach to home-based, e-commerce, service oriented businesses, landlords and independent contractors.

Current Practices/ Enhancements:

Frequently Asked Questions (FAQ) located on the City Website has been updated to a more customer friendly format including a Spanish translation through the use of Google translator.

For landlords, property owners identified as possibly renting residential or commercial buildings have been notified through direct mailings with letters outlining the City’s requirement for a Business Tax Certificate for the activity of renting or leasing buildings.

Finally, home based businesses, e-commerce businesses, and service based businesses, when identified through data mining (outside sources) or through field observation, are contacted through direct mail.

Future Enhancements:

The educational campaign will include information on how to obtain a Business Tax Certificate, how the City utilizes the fees and how those fees benefit their business, and contact information for organizations that can help manage and grow their business. This information will be distributed in the following ways:

- **June, 2017:** To reach home based, e-commerce and service based businesses, flyers and FAQ’s will be distributed to libraries, recreation centers, colleges, and Chambers.
- **July, 2017:** Direct mail to businesses that may interact with landlords so they may share the information with landlords. These types of businesses would include, but are not limited to, real estate agents, property managers, and tax preparers.
- **September, 2017:** Riverside Public Utility billing insert will provide information on examples of the type of businesses required obtain a business tax certificate, how to apply, how fees benefit their business and customers, and who to contact for assistance and general questions.
- **September, 2017:** RiversideTV spots will provide information on the type of businesses required obtain a business tax certificate, how to apply, who to

contact for assistance and other resources to help them start or grow their business.

Example 1: Envelope



Example 2: Frequently Asked Questions (FAQs)



BUSINESS LICENSE/TAX

Conducting business in Riverside? Find out about the City of Riverside business license/tax.

CONDUCTING BUSINESS IN RIVERSIDE



If you are planning to conduct business in the City of Riverside **you must obtain a City of Riverside business license**, also referred to as a business tax.



All persons or companies conducting business in the City of Riverside are required to pay a business tax. This includes, but is not limited to, retail outlets, wholesalers, manufacturers, service companies, professional businesses, independent contractors, home businesses, and commercial and residential landlords. If you conduct business in the City of Riverside from an **office located outside of Riverside**, you are **required to pay a business tax**.



For a new business, the business tax is **due and payable on or before the first day of business to avoid additional fees**. Business taxes are paid annually unless otherwise specified. All annual business taxes are due in advance; on or before the expiration date of the then current certificate.



Who is expected to pay?

All persons or companies conducting business in the City of Riverside are required to pay a business tax. This includes, but is not limited to, retail outlets, wholesalers, manufacturers, service companies, professional businesses, independent contractors, home businesses, and commercial and residential landlords. If you conduct business in the City of Riverside from an office located outside of Riverside, you are required to pay a business tax.



Is my Business Tax Certificate transferable?

Business Tax Certificates are not transferable or assignable to any other person or business.



When am I expected to pay?

You must register and pay the business tax prior to the commencement of business.



When is my payment due?

For a new business, the business tax is due and payable at the start of business. For business tax renewals for existing businesses, the business tax is due and payable at the expiration date of the previous certificate.



How often am I expected to pay?

Business taxes are paid annually unless otherwise specified. All annual business taxes are due in advance on or before the expiration date of the then current 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.



What if I have multiple business locations or business activities?

A separate tax certificate is required for each type of business activity conducted at a single location and for each branch or location of a business. Business Tax Certificates shall be displayed for each business activity and at each branch or location.



What are the tax rates?

Business tax rates are calculated based upon the type of business utilizing a minimum tax plus additional increments. The increments can include, but are not limited to, gross receipts, number of employees, number of machines, number of vehicles, etc. To view current rates, visit RiversideCA.gov/Finance.



What if I don't pay?

Penalties for new businesses are 50% 30 days after the business start date and 100% 60 days after the business start date.



Do I need to pay Business Tax for renting residential or commercial real estate?

A Business Tax Certificate is required for any property owner engaged in the rental of residential or commercial real estate within the City of Riverside.

For residential property owners: Owners with more than one residential rental unit are subject to payment of Business Tax calculated on the basis of gross rental receipts from the rental properties. If there is only a single rental unit, the owner may obtain a "tax free certificate" and pay a processing fee of \$10 each year.

For commercial property owners: If you rent or lease any commercial building you are subject to payment of Business Tax calculated on the basis of gross rental receipts from the commercial property.

Please contact the Business Tax Section office staff for additional information.

Apply for and Renew Business Licenses Online at RiversideCA.gov/BusinessTax

3900 Main Street, Riverside, CA 92522 • Phone (951) 826-5465 • Fax (951) 826-2356

¡Se Habla Español! Para más información llamar al (951) 826-5465.

Example 3: Postcard



BUSINESSES CAN NOW

APPLY FOR OR RENEW A BUSINESS LICENSE

ONLINE

Starting a new business or know someone who will?

Apply for or renew a business license online at
RiversideCA.gov/BusinessTax

¡Se Habla Español!

Para más información llamar al (951) 826-5465.



Already have a business license?

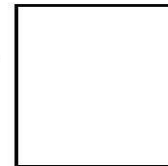
Be sure to take advantage of the online features for your business license, including:

 **RENEWING**
YOUR BUSINESS LICENSE

| | | |
|--|---|--|
|  PAYING YOUR BALANCES |  UPDATING YOUR ACCOUNT |  CLOSING YOUR ACCOUNT |
|--|---|--|

RiversideCA.gov/BusinessTax

City of Riverside
Finance Department
3900 Main Street, 6th Floor
Riverside, CA 92522



PLACERHOLDER
3900 Main Street
Riverside, CA 92522

Example 4: Landlord



Are you a
LANDLORD
within the City of Riverside?

DID YOU KNOW?
Your rental property requires a
Riverside Business Tax Certificate?

RESIDENTIAL LANDLORD



A City Business Tax is
required if you rent/offer for
rent **more than one unit.**



COMMERCIAL (BUSINESS) LANDLORD

A City Business Tax is
required if you rent/offer
for rent or lease **ANY**
commercial building.



The business tax fee for **both**
residential and commercial
rentals is calculated on the
annual gross rental receipts.



For more information or to apply online, visit:
RiversideCA.gov/BusinessTax

Please contact business tax staff for additional information at (951) 826-5465.

¡Se Habla Español! Para más información llamar al (951) 826-5465.

AMNESTY PROGRAM

Past Amnesty Programs:

The City last conducted a six-month amnesty and public outreach program from September 2010 to February 28, 2011. The businesses identified, along with those that self-reported, were required to pay the business tax due for the current year and the previous three (3) years, but any penalties or interest due were waived in full.

Future Amnesty Program:

The recommendation is to launch a six-month amnesty program beginning January 1, 2018 through June 30, 2018. Penalties and interest will be waived for businesses that apply and pay prior to the end of the amnesty period. New unlicensed businesses will be required to pay for the current year and up to the prior two (2) years depending on the business start date.

Outreach for the amnesty program will include announcements via the City website, utility bill inserts, public service announcements on RiversideTV and Spanish radio, press releases, announcement in the Press Enterprise, Chamber newsletters, social media outreach and direct mail to identified unlicensed businesses.

In addition, Business Tax Division field liaisons will canvass the City to provide information and assist new businesses with completing the business tax process.

ACTION PLAN FINANCIAL IMPACT

Business Tax Certificate revenue is approximately \$7 million per year and funds many critical needs in the General Fund including public safety, streets, parks & recreation, and library services.

Reducing penalties and promoting the amnesty program will have an impact on revenues; however, if past due and non-compliant businesses begin paying their business tax, the net effect on revenues may be neutral for FY 2017-18 and may be positive in future years as more businesses will be paying.

Early renewal discounts of 5% may have a fiscal impacts of approximately \$148,000 per year. Further, the increased proactive outreach and marketing materials will cost approximately \$60,000 per year. Staff is hopeful that new net revenues from new business paying a business tax will increase sufficiently to cover these revenue reductions and additional expenditures.

MUNICIPAL CODE CHANGES

Summary of Changes:

In order to provide clarity and facilitate the many changes in the Action Plan, changes are needed to Riverside's Municipal Code (RMC). A summary of these changes can be found below:

- Language - Incorporate Consistent Use of the Term "Tax" vs "License." The Terms License and Tax are used interchangeably in RMC.
- Liens – Authority for Real Property Liens are included in RMC 1.17.090. Updated RMC Chapter 5.04 to include reference authority in RMC.
- Amend penalty dates and amounts (RMC 2.04.220).
- Revise RMC to add section that would allow for a 5% discount for early renewal.
- Revise RMC to remove requirement to register one residential rental unit per RMC 5.04.010(R)(5), which requires a Tax Free Certificate and registration of one residential rental unit.
- Revise RMC Section 5.04.010(H)(1), to eliminate requirement for contractors to hold two (2) Business Tax Certificates; one for gross receipts and one for number of employees.
- Revise RMC 5.04.170 to include more specific language for the Chief Financial Officer to waive penalties, interest, or prior year's taxes.

Municipal Code Chapter 5.04, Taxes Licenses and Regulations:

A copy of Municipal Code Chapter 5.04, Taxes Licenses and Regulations is Attachment 1 to this Action Plan.

ATTACHMENTS