



CITY ATTORNEY'S OFFICE

INTRODUCED BY COUNCIL PRESIDENT BAS

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE AMENDING THE OAKLAND MUNICIPAL CODE TO CHANGE THE DUE DATE FOR BUSINESS TAX DECLARATIONS AND PAYMENTS UNDER CHAPTER 5.04 FROM JANUARY SECOND TO MARCH FIRST

WHEREAS, preliminary results indicate that Oakland voters approved Measure T on November 8, 2022, which repealed and replaced Oakland’s prior business tax code with a new progressive business tax code; and

WHEREAS, the new business tax code created by Measure T will be codified as **Chapter 5.04** 30 days after the results of the November 8, 2022 General Election are certified; and

WHEREAS, Chapter 5.04.300 requires Oakland businesses to file a gross receipts declaration and make payment to the City for all business taxes by **January 2** of every year; and

WHEREAS, prior to the adoption of Measure T, March 1 has been the deadline for business tax declarations and payments for many years; and

WHEREAS, City staff recommend changing the due date for the gross receipts declaration and payment due date to **March 1** of every year in order to provide businesses sufficient time to calculate accurate gross receipts;

WHEREAS, Measure T, under Chapter 5.04.300(C) and Chapter 5.04.300(D) authorizes the City Council to change the due date for business tax declarations and business tax payments;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. Title 5 of the Oakland Municipal Code is amended, as set forth below (section numbers and titles are indicated in **bold** type; additions are indicated by underscoring and deletions are indicated by ~~strikethrough~~).

SECTION 2. Code Amendments.

Title 5, Chapter 5.04.300 is amended as follows:

Certificates - Issuance, Declaration, Content, Due Date

- A. *Annual Certificate and Written Declaration.* Every person engaging in business activities in the City shall file with the City an annual written statement setting forth the then applicable factor or factors that constitute the measure of the tax, together with such other information as may be required by the City Administrator. Written statements shall include a declaration confirming, under penalty of perjury, that the information contained in the application is true and correct. Each applicant who is subject to the contractor's license law, shall state that they are licensed under such law, that this license is in full force and effect, and the number of the license.
- B. *New Business Registration.* Every person applying for a first business tax certificate for a newly established business shall provide any information to the City that the City Administrator deems reasonably necessary to properly categorize the person's business activities and pay a registration fee in the amount set forth in the city's master fee schedule (as amended from time to time) within thirty (30) days from the date of commencement of business activity. Failure to register shall subject the taxpayer to penalty and interest.
- C. *Due Date - Rental Businesses.* With respect to any persons engaging in residential and non-residential rental businesses activities, annual declarations and business tax payments shall be due by or before ~~January 2~~ March 1 of each calendar year for which a person is issued a business tax certificate, unless the City council, in its discretion, declares a different due date.
- D. *Due Date - All Other Businesses.* With respect to any persons engaging in any business activities other than residential and non-residential rental businesses activities, annual declarations and business tax payments shall be due by or before ~~January 2~~ March 1 of each calendar year for which a person is issued a business tax certificate, unless the City council, in its discretion, declares a different due date.
- E. *Estimates.* Persons who are unable to provide final figures before the due date for annual declarations and business tax payments shall provide estimates following procedures established by City Administrator.
- F. *Holidays and Weekends.* To the extent any deadlines in this Section fall on holidays or weekends, such deadlines shall be extended to the next business day.
- G. *Certificate Contents.* Certificates shall contain the name of the business, the place where the business is to be carried on, the business activity, the date of the expiration of such business tax certificate, and such other information as the City Administrator may deem appropriate.
- H. *Refusal to Issue Certificate.* The City Administrator may refuse to issue any person a business tax certificate for the same or any other business if such person has outstanding and unpaid liabilities pursuant to this chapter.

- I. *Extensions.* The City Administrator may grant extensions of up to forty-five (45) days for the payment of business tax or for the making and filing of declarations. No penalty shall be added to the amount due and payable if said tax is paid within the extension period. During such extension period, the amount subject to the extension may, in the City Administrator's discretion, bear interest beginning with the original due date to the date of filing of the declaration and full payment of the tax at a rate of one percent (1%) per month or fraction thereof, notwithstanding the granting of the extension.

- J. *No Intent to Continue Business.* A person who does not intend to carry on usual and customary business activities beyond December 31st of any given year is not liable to obtain and pay for a business tax certificate, unless otherwise provided by any Section of this chapter. A person did not intend to carry on "usual and customary business activities" beyond December 31st of any given year if:
 1. It is established by written documentation (e.g. opening escrow, bill of sale, etc.) that the person was in the act of selling, liquidating, transferring, or otherwise permanently disposing of its business on or before December 31st of the year preceding the calendar year such business was terminated or transferred, and such sale, liquidation, transfer, or other permanent disposal is not made to or for the direct benefit of a related entity; and
 2. Such termination, liquidation, transfer, or disposition is final with no gross receipts either received or attributable to the taxpayer eligible for the subject proration as of the 15th day of April of the calendar year after action to terminate, transfer, liquidate or otherwise dispose of the business was initiated.

SECTION 4. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

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IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

Date of Attestation: _____

NOTICE AND DIGEST

ORDINANCE AMENDING THE OAKLAND MUNICIPAL CODE TO CHANGE THE DUE DATE FOR BUSINESS TAX DECLARATIONS AND PAYMENTS UNDER CHAPTER 5.04 FROM JANUARY SECOND TO MARCH FIRST

This ordinance changes the due date for businesses operating within Oakland to file gross receipts declarations from January 2 to March 1 of every year. These declarations are used to calculate tax liability. This ordinance also changes the due date for businesses to complete business tax payments from January 2 to March 1 of every year.