

LGR1 - Child/Multi/Phone/Tugboat

A. CHILD CARE PROVIDER (Formerly Fund/Class L041): Your 2015 gross receipts derived from providing non-medical care for children under 18 years of age in need of personal services, supervision or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24 hour basis. The term "Gross Receipts" does not include receipts of: (1) Community chests, funds, foundations or corporations organized and operated for religious, hospital or charitable purposes, not conducted for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual; (2) Non-profit secondary schools which are duly accredited by the University of California and receipts of non-profit elementary schools in which instruction is given to students in the pre-primary and primary grades in the several branches of studies required to be taught in the public schools of the State of California; (3) Rotary, Kiwanis and Lions Clubs, nonprofit automobile clubs, Chambers of Commerce, and other community service organizations; also receipts of trade associations such as Merchants Plumbers Association, Merchants and Manufacturers Association and labor organizations.

B. MULTIMEDIA (Formerly Fund/Class L041): Your 2015 gross receipts derived from Multimedia business activities as follows: (1) Produces films, disks, tapes, software or other recording devices, whether visual or audio, through the integration of two or more media, which media include without limitation, computer generated graphics and video, film, slides, video tapes, audio tapes and photographs; or (2) Provides computer programming services on a contract or fee basis to the producer of these media including computer software design and analysis, modification of custom software, digital imaging and other related programming services; or (3) Development of online and internet services, including the design of WEB sites, for clients. The following items are allowable exclusions from gross receipts: (1) Sale of goods shipped by you to purchasers outside the State of California; (2) Federal excise taxes imposed upon the retailer (such as "luxury tax"); (3) State and local sales taxes; (4) Returned merchandise where cash or credit is allowed; (5) Cash discounts allowed or taken. The following items are NOT allowable exclusions from gross receipts: (1) Business expenses of any kind; (2) Federal excise taxes imposed upon the manufacturer or importer; (3) Federal and State gasoline taxes; (4) Amounts allowed as credits on trade-ins; (5) Charges for credit including finance charges and interest; (6) Delivery or freight charges. If business activities are carried on both within and outside the City of Los Angeles, you may be entitled to an apportionment. Rulings #13, #14, #15 or #17 relative to such apportionment are available from this office. Visit our website at finance.lacity.org or call (844) 663-4411.

C. INTERNET-BASED APPLICATION SERVICE PROVIDERS:

(1) An internet-based application service provider (ASP) means a business that provides its customers access, exclusively through the internet, to electronic applications that are available exclusively on computer devices operated by or on behalf of the ASP. An "electronic application" is a computer program that provides the user with the ability to accomplish a specific task. An ASP shall not include a business that provides electronic applications, including but not limited to computer software, for customers to download through the internet. A business does not qualify as an ASP unless its internet-based electronic application provides information to the user directly without any substantial intermediation by any person except for technical support related to the use of the electronic application. An ASP shall not include a business that sells electronic applications through the internet, or any business that obtains its income from the use of its electronic applications by itself, on its behalf, or by any related entity as defined in Section 21.00(a). (2) An ASP business shall not include a business that utilizes an application to sell goods or further its business, motion picture, television or radio producers, telephone companies, or radio or television broadcasters, or an adult entertainment business, as defined in Section 12.70 B. of this Code. (3) The ASP business tax classification shall apply only for 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018 tax years unless the Council acts by ordinance to amend this Section and extend the length of time for which this classification shall apply.

D. INTERNET-BASED DATA MANIPULATION:

(1) An internet-based data manipulation business means a business that exclusively provides access to internet-based applications that allow a user to search, compile, and otherwise manipulate data, including but not limited to a business that operates or provides access to one or several "search engines". A "search engine" is an internet-based application that retrieves documents or files or data from the internet, a computer network, a database, or other data sources. "Data" includes visual, numerical, and written information. A business does not qualify as an Internet-based Data Manipulation Business unless its internet-based application provides information to the user directly without any substantial intermediation by any person except technical support related solely to the use of the internet-based application. (2) An internet-based data manipulation business shall not include a business that utilizes internet-based data manipulation to sell goods or further its business, motion picture, television or radio producers, telephone companies, or radio or television broadcaster, or an adult entertainment business as defined in Section 12.70 B. of this Code. (3) The internet-based data manipulation business tax classification shall apply only for the 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018 tax years unless the Council acts by ordinance to amend this Section and extend the length of time for which this classification shall apply.

E. TELEPHONE SERVICES (Formerly Fund/Class L197): Your 2015 gross receipts derived from providing telephone services within the City

of Los Angeles and to points within the State of California. In addition, receipts from the sale of advertising are to be included.

F. TUGBOAT AND BARGE OPERATORS (Formerly Fund/Class L041): Your 2015 gross receipts derived from the operation of a tugboat or barge within the City of Los Angeles. Boundaries of the City extend to the three mile limit. When gross receipts are derived from or attributable to activities engaged in outside the City, gross receipts shall be apportioned. Such apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by such other method of apportionment as will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City.

LGR1 - Wholesale Sales

A. & B. WHOLESALE SALES (Formerly Fund/Class L042): Your 2015 gross receipts derived from sales of goods, wares, or merchandise for the purpose of resale. A blind person who has provided certification of the blindness to the Office of Finance may exclude the first \$100,000 of gross receipts from the computation of tax due. Gross receipts are to be reported on a cash or accrual basis. The following items are allowable exclusions from gross receipts: (1) Sale of goods shipped by you to purchasers outside the State of California; (2) Federal excise taxes imposed upon the retailer (such as "luxury tax"); (3) State and local sales taxes; (4) Returned merchandise where cash or credit is allowed; (5) Cash discounts allowed or taken; and (6) Sales of alcoholic beverages. The following items are NOT allowable exclusions from gross receipts: (1) Business expenses of any kind; (2) Federal excise taxes imposed upon the manufacturer or importer; (3) Federal and State gasoline taxes; (4) Amounts allowed as credits on trade-ins; (5) Charges for credit including finance charges and interest; (6) Delivery or freight charges. If business activities are carried on both within and outside the City of Los Angeles, you may be entitled to an apportionment. Ruling #13 or #14 relative to such apportionment is available from this office. Visit our website at finance.lacity.org or call (844) 663-4411.

LGR2 - Rental/Swap/Meet/Antique

No tax is due for the following activities UNLESS the total gross receipts are \$20,000 or more.

A. & B. ANTQ/COLL/EXCH-PROM/SWAP MEET

(Formerly Fund/Classes L043): Your 2015 gross receipts from engaging in the business of an antique show, collectors, exchange show, show promoter, or swap meet operator. In addition to this annual tax on gross receipts, there is a \$.59 rental tax per space per day of operation, to be remitted monthly. The ordinance provides that if this rental tax is

passed on to the Vendor as a separate charge, the reimbursement shall not be included in gross receipts. But, if the rental tax is NOT passed on as a separate charge, it cannot be deducted from gross receipts as it is then considered a cost of operation.

C. HOTEL ROOM, APARTMENT RENTALS, ETC

(Formerly Fund/Class L043): Your 2015 gross receipts derived from renting 4 or more dwelling units within the City of Los Angeles which are rented during a calendar year. Examples: (1) four or more trailer camp spaces, (2) four or more single family residences, (3) two or more duplexes, or (4) a triplex plus an additional single family residence. Gross receipts are reported on a cash or accrual basis. Pursuant to the Rent Stabilization Ordinance (LAMC Section 151.00, et seq.), all residential rental units in the City of Los Angeles built prior to October 1, 1978, must be registered with the Los Angeles Housing Department before the landlord may legally demand and collect rent unless exempted under the Ordinance. Non-registration is a criminal violation, punishable by a fine and/or a jail sentence. Additionally, tenants may withhold rent until such time as the landlord has complied with the registration of your property. To register, call Housing's Registration/Billing/Collections Section at (213) 808-8900. For information regarding the Rent Stabilization Ordinance, call the Housing Department's Public Information Hotline at (866) 557-RENT.

D. COMMERCIAL RENTAL (Formerly Fund/Class

L043): Your 2015 gross receipts derived from all commercial rentals located within the City of Los Angeles, including sub-leases, but excluding bare land rentals. Gross receipts are to be reported on a cash or accrual basis. If the year's gross receipts were zero (0), no tax is due; however, a renewal must be filed.

LGR2 - Retail Sales.

A. & B. RETAIL SALES (Formerly Fund/Class

L044): Your 2015 gross receipts derived from retail sales of goods, wares, or tangible merchandise. A blind person who has provided certification of the blindness to the Office of Finance may exclude the first \$75,000 of gross receipts from the computation of tax due. Gross receipts are to be reported on a cash or accrual basis. A retail sale is a sale for any purpose other than resale. The following items are allowable exclusions from gross receipts: (1) Sale of goods which are shipped by you to purchasers outside the State of California; (2) Federal excise taxes imposed upon the retailer (such as "luxury tax"); (3) State and local sales taxes; (4) Returned merchandise where cash or credit is allowed; (5) Cash discounts allowed or taken; and (6) Sales of alcoholic beverages. The following items are NOT allowable exclusions from gross receipts: (1) Business expenses of any kind; (2) Federal

excise taxes imposed upon the manufacturer or importer; (3) Federal and State gasoline taxes; (4) Amounts allowed as credits on trade-ins; (5) Charges for credit including finance charges and interest; (6) Delivery or freight charges. If business activities are carried on both within and outside the City of Los Angeles, you may be entitled to an apportionment. Ruling #13 or #14 relative to such apportionment is available from this office. Visit our website at finance.lacity.org or call (844) 663-4411.

NOTE: Businesses that sell bicycles in the City are required (Ordinance No. 154,686) to issue bicycle licenses pursuant to Section 26.01 of the Los Angeles Municipal Code. Please contact the Office of Finance for information regarding bicycle license sales.

B. LAUNDRY, CLEANING, DYEING & SHOE REPAIR (Formerly Fund/Class L044): Your 2015 gross receipts derived from these business activities. **LGR2 - Radio/TV/Theater.**

A. RADIO AND TELEVISION BROADCASTER (Formerly Fund/Class L045): Your 2015 gross receipts from producing and/or broadcasting, local or network radio or television programs or advertising material, including the furnishing of services, program elements or facilities in connection with such production and broadcasting, or broadcasting and includes any person operating a television system where the viewing audience pays a fee to view the broadcast. When gross receipts are constitutionally required to be apportioned and are derived from or attributable to activities engaged in outside the City of Los Angeles, apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by any other method of apportionment as will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City. Gross receipts shall be limited to receipts which are generated, produced, or attributable to local activities, within California. Ruling #15 relative to such apportionment is available from this office. Visit our website at finance.lacity.org or call (844) 663-4411.

B. THEATRE (Formerly Fund/Class L045):

Your 2015 gross receipts derived from admission charges.

L046 - Prop/Coll/Sport/Vend/Freight.

A. & B. SPORTING EVENTS & VENDING MACHINES (Formerly Fund/Classes L059 & L065): Your 2015 gross receipts derived from the staging or promotion of sporting exhibitions, events or contests and from coin-operated vending machines dispensing goods, wares, merchandise or other tangible property within the City of Los Angeles.

C. COLLECTION AGENCY (Formerly Fund/Class L078): Your 2015 gross commissions from collections made within the State of California. This includes the commissions earned for collections made for other

collection agencies. Where other agencies make collections for you within the State, the total commission contracted for with your client is to be included. That portion of the commission paid to or retained by the other agency is a cost of operation and is not excluded from gross commissions. When the gross commissions are derived from or attributable to activities engaged in outside the City of Los Angeles, gross commissions shall be apportioned. Such apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by such other method of apportionment as will fairly determine the amount of gross commissions derived from or attributable to engaging in business in the City.

D. STORAGE, FREIGHT FORWARDING, CUSTOMS HOUSE BROKERS & STEAMSHIP AGENTS (Formerly Fund/Class L141): Your 2015 gross receipts derived from these business activities. When gross receipts are derived from or attributable to activities engaged in outside the City of Los Angeles, gross receipts shall be apportioned. Such apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by such other method of apportionment as will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City.

E. PERSONAL PROPERTY RENTAL (Formerly Fund/Classes L192 & L392): Your 2015 gross receipts derived from the leasing or renting of any tangible personal property within the State of California. When the gross receipts are derived from or attributable to activities engaged in outside the City of Los Angeles, gross receipts may be apportioned. Ruling #17 relative to such apportionment is available from this office. Visit our website at finance.lacity.org or call (844) 663-4411.

L047 - Broker/Telemarketing

A. COMMISSION BROKER (Formerly Fund/Classes L079, L379 & L779): Your 2015 gross commissions derived from sales made within the City of Los Angeles. This includes telephone and mail orders received by this office even if the customer is located outside the City or State of California. When commissions are derived from or attributable to physical solicitation outside the City, commissions shall be apportioned. Such apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by such other method of apportionment as will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City. Ruling #3 relative to such apportionment is available from this office. Visit our website at finance.lacity.org or call (844) 663-4411.

B. INDEPENDENT TELEMARKETING (Formerly Fund/Class L080): Your 2015 gross receipts derived from marketing services or goods, wares or merchandise on behalf of three or more clients continuously by use of telecommunications device at a call center continuously employing 25 or more persons.

L048 - Miscellaneous Services. (Formerly Fund/Class L289) MISCELLANEOUS

SERVICES: Your 2015 gross receipts derived from the business activity of advertising agency, aircraft support contractor, apparel subcontractor, bookbinder, check cashing service, drapery subcontractor, heat treater, mailing service, metal plater, music teacher, public relations agency, refuse contractor, shoe shine stand, silk screen apparel subcontractor, temporary help agency, ticket seller, travel agency, typesetter, or wire terminator. Gross receipts are to be reported on a cash or accrual basis. When gross receipts are derived from or attributable to activities engaged in outside the City of Los Angeles, gross receipts may be apportioned. Such apportionment shall be made on the basis of payroll, value and situs of tangible property, general expense, or by reference to any of these or other factors, or by such method of apportionment as will fairly determine the amount of gross receipts derived from or attributable to engaging in business in the City.

L049 PROFESSIONS/OCCUPATIONS

A. AUTO PARK (Formerly Fund/Class L056): Your 2015 gross receipts derived, either directly or indirectly, from any automobile parking place, storage lot or storage place where motor vehicles are parked or stored within the City of Los Angeles.

B. HEALTH MAINTENANCE Organizations (Formerly Fund/Class L191): Your 2015 gross receipts derived from arranging for the provision of health care services to subscribers or enrollees, or to pay for or to reimburse any part of the cost for those services in return for a prepaid or periodic charge paid by or on behalf of the subscribers or enrollees. Gross receipts which are attributable to a place of business within the City, shall be apportioned by using the total cost method to determine the amount of gross receipts that are subject to tax. The total cost method uses a ratio to derive a percentage that is multiplied by the total gross receipts. The numerator of the ratio is the total in-City costs. The denominator of the ratio is the sum of the total in-City costs and the total out-of-City costs. Use the percentage derived by dividing the numerator by the denominator multiplied by the total gross receipts to determine the amount of gross receipts that are subject to tax. Total costs shall include a health maintenance organization's payroll and related costs, property and related costs, and contract health care provider costs, incurred

within and without the City.

C. PROFESSIONS/OCCUPATIONS (Formerly Fund/Classes L190, L390 & L790): Your 2015 gross receipts derived from any trade, calling, occupation, vocation, profession or other means of livelihood as an independent contractor and not as an employee of another, and which are not specifically taxed by another classification. Gross receipts are to be reported on a cash or accrual basis. When the gross receipts are derived from or attributable to activities engaged in outside the City of Los Angeles, gross receipts may be apportioned. Ruling #15 relative to such apportionment is available from this office. Visit our website at finance.lacity.org or call (844) 663-4411. Income derived from notary services is exempt from gross receipts.

L055 AUCTIONEER: \$886.88 per year or fractional part thereof. The minimum for this activity is not eligible to be prorated.

L062 BILLIARDS: \$106.43 per year for each table. Enter number of tables in Column D "Basis for Tax" of the Renewal Form.

L193 SALE OF REAL PROPERTY: Your 2015 gross receipts derived from the sale of real property located within the City of Los Angeles. In addition, if your business address is within the City, 20% of gross receipts derived from the sale of real property located outside the City are to be included in the measure of gross receipts. Certain encumbrances may be subject to exclusion. Section 21.193 (L.A.M.C.) relative to such exclusion is available from this office. Visit our website at finance.lacity.org or call (844) 663-4411. Use the supplemental form available on our website for this business activity only.

L063/L763/L064/L265 AMUSEMENT MACHINE / MUSIC MACHINE / COIN-OPERATED SERVICE MACHINES: \$22.17 per year, or fractional part thereof, for each machine, device, game or apparatus. Enter number of machines in Column D "Basis for Tax" of the Renewal Form.

L070 BOWLING ALLEY, ETC: \$54.99 per year, or fractional part thereof, per alley (lane), ping-pong court, skee-ball machine, alley or court, or any shuffleboard table, or court. Enter number of alleys, etc. in Column D "Basis for Tax" of the Renewal Form.

L094 RIDES: \$443.44 per year or fractional part thereof. The minimum for this activity is not eligible to be prorated.

L108 LENDING MONEY: \$2,660.63 per year or fractional part thereof. The minimum for this activity is not eligible to be prorated. Your minimum tax for Column H on the Renewal Form is \$2,660.63.

L109/L309 MOTION PICTURE, TELEVISION AND RADIO PRODUCERS: For specialized tax instructions and supplemental forms for this business activity, visit our website at finance.lacity.org or call (844) 663-4411.

L142 STEVEDORES: For specialized tax instructions and supplemental forms for this business activity, visit our website at finance.lacity.org or call (844) 663-4411.

L187 COMMON CARRIER BUS: 1.48% of your 2015 In-City gross receipts.

L188/L288 CONTRACTOR: If your Business Office is located in the City of Los Angeles: Complete both sections of the In City Supplemental Form available on our website at finance.lacity.org. For more information, please visit our website at finance.lacity.org or call (844)663-4411.

L188 CONTRACTOR (Out of City): If your business has no fixed place of business in the City of Los Angeles, the tax is based on your 2015 gross receipts derived only from projects or jobs located within the City. Gross receipts are to be reported on a cash or accrual basis. Complete the Out of City Supplemental Form available on our website at finance.lacity.org

L194/L195/L196 TRANSPORTING PERSONS / TRUCKING/HAULING / MISCELLANEOUS TRUCKING: For specialized tax instructions and supplemental forms for this business activity, visit our website at finance.lacity.org or call (844) 663-4411.

Back Tax (*): Back Tax is the additional tax due when business do not qualify for the second year business exemption. If your business activity was new last year, please complete Column G of the Business Tax Renewal Form to determine if additional tax is due.

2016 Specialized
Instructions Revised
12-09-2015