

CITY OF LOS ANGELES

CALIFORNIA

OFFICE OF FINANCE
TAX AND PERMIT DIVISION
P.O. BOX 53478
LOS ANGELES, CA 90053



ERIC GARCETTI
MAYOR

CLAIRE BARTELS
DIRECTOR of FINANCE
CITY TREASURER



<Legal Name>
<Mailing Address>
<Mail City>, <Mail State>, <Mail Zip>

Notice for Independent Contractors, Self-Employed, or Business Owners

Dear <TAXPAYER NAME>,

<FORECASTED DELIVERY DATE>

Reference: <REFERENCE NUMBER>

We have received information from the California Franchise Tax Board that you, a spouse, or a joint tax filer reported expenses or income from a business-related activity in 2017 and may be required to apply for a Business Tax Registration Certificate (BTRC). This means that you either:

- ❖ Received a 1099 form (e.g., as an independent contractor)
- ❖ Were paid in cash for your work (e.g., as a laborer or freelancer)
- ❖ Filed Schedule C/C-EZ (for business income) or Schedule E (e.g. for rental income or royalties)

Our records indicate that you do not have a valid BTRC and may be out of compliance with L.A.M.C. Section 21.03 (Imposition of Tax). You must register with the City by reporting all business-related activity between 2011 and 2018 on the included application. If you believe you are not subject to this business tax, complete and return the attached AB63 Alternative Form. Failure to respond to this notification within **20 business days** can result in further enforcement action, which may include an estimated tax assessment.

Please take one of the following actions in order to avoid a tax assessment:

To register and to be eligible for exemptions for future reporting periods ⇓	If you believe you are not subject to the City of Los Angeles Business Tax ⇓
1. Complete the attached "Business Tax Application AB63"	1. Complete the attached "AB63 Alternative Form"
2. Scan or take a picture of the completed "Business Tax Application AB63"	2. Scan or take a picture of the completed "AB63 Alternative Form" and submit it for review
3. Email it to finance.customerservice@lacity.org	3. Email it to finance.customerservice@lacity.org
4. You will be registered with the City of Los Angeles	4. Our records will be updated upon review of your response

If you have any questions, please visit <http://finance.lacity.org/ab63-program-faq> or email finance.customerservice@lacity.org. You can also call our help desk at (844) 663-4411 or mail your response to City of Los Angeles, Office of Finance, Tax and Permit Division – AB63 Unit, P.O. Box 53478, Los Angeles, CA 90053-0478. Thank you in advance for registering your business with the City of Los Angeles.

Claire Bartels
Director of Finance
City of Los Angeles Office of Finance

Frequently Asked Questions

How did the City of Los Angeles access my address and business information?

This information was provided by the California Franchise Tax Board. Residential information is subject to public disclosure if the location is utilized for business purposes.

The business belongs to my spouse or a joint tax filer, not me. What should I do?

Your spouse or joint tax filer must complete and submit the appropriate form.

I use an online company that puts me in touch with people interested in renting my property and/or using my ride share service. Do I have to pay business tax?

Any person or entity that utilizes a hosted online platform to obtain payment for goods or services must comply with business tax requirements. Common types of platform include, but are not limited to:

Short-Term Residential Rentals – Use of a residence to provide temporary lodging for compensation for periods of 30 days or less (such as Airbnb, VRBO, Flipkey, etc.)

Transportation Network Company (TNC) – A ride sharing service that connects persons in need of transportation with vehicle drivers (such as Uber, Lyft, Sidecar, etc.)

What if I received this notification and I no longer have a business?

If you previously conducted business in the City of Los Angeles and never applied for the Business Tax Registration, please provide gross receipts for the applicable years of business, out-of-business date and the information asked for on the application. (Please note that there is a business tax liability for each of the prior eight calendar years of operation within the City, but none for calendar years when the business was not operated.)

I live in Los Angeles but my business is located outside the city limits. What are my liabilities for City of Los Angeles business tax?

If a business performs all activities outside the City, does not take a home office deduction on their Federal and State tax returns (on a Schedule C) and performs no administrative functions within the City, the tax measure is \$0.

What will be my tax liabilities?

Once your account is set-up, you will receive a Notice of Tax Due, if applicable. Your statement may include interest and penalty charges, however, you may submit a written request of a waiver of penalty as long as principal tax and interest amounts due are paid. Written requests will be considered on a case-by-case basis. For more information on this, please visit the following link: <https://finance.lacity.org/waiver-penalty-request>.

How can I respond to this notice?

Please consider emailing your application to finance.customerservice@lacity.org or mail to:

City of Los Angeles
Office of Finance, Tax and Permit Division - AB63 Unit
P.O Box 53478
Los Angeles, CA 90053-0478

If you must submit your response in person, please visit one of the following locations:

City Hall	Braude Constituent Svcs. Center	West LA Branch Office
200 N. Spring St.	6262 Van Nuys Blvd.	1828 Sawtelle Blvd.
Room 101	Room 110	Room 102

More information regarding the new Business Tax Rates and Exemptions, Enforcement Program, and L.A.M.C. Section 21.03 are available at the Office of Finance website (<http://finance.lacity.org/about-business-tax>).