



# City of Los Angeles

## Consolidation of Fund Classes

Rate consolidation simplifies and reduces taxes as follows:

1. It eliminates the gross receipts threshold and allows the taxpayer to pay a tax calculated at a rate per thousand dollars of gross receipts based on the business classification.
2. It eliminates the minimum tax at the time of registration and the taxpayer simply pays the tax due on a per thousand dollar basis for the first and second year during the renewal period.
3. It consolidates business activities into six rates with nine fund classes instead of forty-two. (Reflected in the Tax Rate Table below)

Since implementation of the Small Business Exemption threshold of \$100,000 in 2007 all gross receipts taxpayers, who file timely, will be paying no tax if their total taxable and non-taxable worldwide gross receipts fall below \$100,000. Taxpayers with taxable and non-taxable gross receipts at or above the \$100,000 threshold will pay one of six rates. Specific details can be found in the [ordinance](#).

The 2008 RENEWALS will take into account the above changes. For **NEW BUSINESSES** starting in 2007, these new changes took effect immediately.

**Please note: Fund Class Consolidation applies to Gross Receipt categories only. Non-Gross Receipt rates can be found [here](#).**

### Business Tax Rate Table for 2008 (includes a 4.0% Rate Reduction)

Class	Fund Category	Tax Year 2007 Fund Class #	Tax Year 2008 Fund Class #	Tax Year 2008 Tax rate per \$1,000
1	Child Care Provider	L489	L041	1.05
	Multimedia Businesses	L689 / L789	L041	1.05
	Telephone Companies	L197	L041	1.05
	Tugboat and Barge Operators	L143	L041	1.05
2	Wholesale Sales	L166 / L266 / L366 & L766	L042	1.05
3	Antique Show Promoter	L498	L043	1.32
	Office, Commercial Bldg. Rental	L098	L043	1.32
	Hotel, Apartment	L099 / L799	L043	1.32
	Swap Meet Operator	L298	L043	1.32
4	Laundry / Cleaner / Shoe Repair	L102	L044	1.32
	Retail Sales	L167 / L267 / L367 / L767	L044	1.32
5	Radio and TV Broadcaster	L389 / L589	L045	1.32
	Theater	L147 / L747	L045	1.32
6	Collection Agency	L078	L046	2.65
	Personal Property Rental	L192 / L392	L046	2.65
	Sporting Events	L059	L046	2.65
	Storage, Freight Forwarder	L141	L046	2.65
	Vending Machines	L065	L046	2.65
7	Commission Broker	L079 / L379 / L779	L047	3.28
	Telemarketing	L080	L047	3.28
8	Miscellaneous Services	L289	L048	3.70
9	Auto Park	L056	L049	5.28
	Professions & Occupations	L190 / L390 / L790	L049	5.28
	Health Maintenance Org.	L191	L049	5.28

Contractors (L188) and those classified under Sale of Real Property (L193) are not included in rate consolidation.

Class	Fund Category	Minimum Tax	Minimum Gross Receipts	Tax Rate per (add'l) \$1,000
L188	Contractor	159.00	60,000	1.05
L288	Contractor - B Gross	N/A	N/A	2.65
L193	Sale of Real Property	159.00	60,000	2.65