



KAREN BASS
MAYOR

<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 2024 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 2016 and 2023 on the included application. If you have already registered or believe you are not subject to this requirement, complete and return the attached AB63 Alternative Form. Failure to respond to this notification within **20 business days** may result in further enforcement action, including a tax assessment based on estimated receipts.

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.ab63@lacity.org	3. Email it to finance.ab63@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.gov/ab63-program-faq> or email finance.ab63@lacity.org. You may mail your response to the City of Los Angeles, Office of Finance, Enforcement 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.

Diana Mangioglu
City Treasurer and 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 all business activities are performed outside the City, and you do not take a home office deduction on your Federal and State tax returns (on a Schedule C), 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. You may submit a written request of a waiver of penalty as long as principal tax and interest amounts due are paid in full. Written requests will be considered on a case-by-case basis. For more information on this, please visit the following link: <https://finance.lacity.gov/waiver-penalty-request>.

How can I respond to this notice?

Please consider emailing your application to finance.ab63@lacity.org or mail to:

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

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.gov/about-business-tax>).

List of Businesses Not Subject to City Business Tax

This list is not exhaustive, please visit finance.lacity.gov/other-exemptions for a list of businesses not subject to City business tax. These types of businesses do not need to register for a business tax certificate, but must complete the AB63 Alternative Form:

- ❖ Childcare provider for less than 8 children
- ❖ 501C3 Non-Profit Business – please visit the following link and follow the filing instructions:
<https://finance.lacity.gov/non-profit-charitable-or-religious-organization-exemptions>
- ❖ Notary Public
- ❖ Rents 3 or fewer residential units
- ❖ Real Estate Agent
- ❖ Religious leaders in their religious capacity
- ❖ Residential care facility for the elderly, which serves six or fewer residents
- ❖ Licensed bail bond agents/companies
- ❖ Financial institutions

Non-financial information pertaining to your City of Los Angeles tax and permit records are subject to public disclosure under provisions of the California Public Records Act, Government Code Section 6250 et seq. If you engaged in a home-based business, your residential information is also subject to public disclosure if that location is utilized for business purposes.

For additional information on business registration, police and fire permits, choosing a location, hiring employees, and more, please visit the L.A. Business Portal website at:

<https://business.lacity.gov>