

OFFICE OF FINANCE
 ENFORCEMENT DIVISION
 P.O. BOX 53234
 LOS ANGELES, CA 90053-0234

Finance.RMS@lacity.org

CITY OF LOS ANGELES
 CALIFORNIA



KAREN BASS
 MAYOR

DIANA MANGIOGLU
 DIRECTOR OF FINANCE
 CITY TREASURER

Date

«LEGAL_NAME»

«MAIL_ADDR»

«MAIL_CITY», «MAIL_STATE» «MAIL_ZIP»



Re: **City of Los Angeles Business Tax**

RMS REF# «ACCT_ID»

The City of Los Angeles is conducting an ongoing program to ensure that individuals and/or companies engaged in business are in compliance with Section 21 (Business Tax) of the Los Angeles Municipal Code. Based on information received from the California Secretary of State's office, it appears you may be engaged in business within the City of Los Angeles.

Our records indicate that you or your company do not have a valid Business Tax Registration Certificate (BTRC) and may be out of compliance with L.A.M.C. Section 21. You must register with the City by reporting all business-related activity between 2018 and 2025 on the included application. If you have already registered or believe you are not subject to this requirement, complete and return the attached RMS 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 RMS"	1. Complete the attached "RMS Alternative Form"
2. Scan or take a picture of the completed "Business Tax Application RMS"	2. Scan or take a picture of the completed "RMS Alternative Form" and submit it for review
3. Email it to Finance.RMS@lacity.org	3. Email it to Finance.RMS@lacity.org
4. You will be registered with the City of Los Angeles	4. Our records will be updated upon review of your response

For any questions regarding this notice, please visit <http://finance.lacity.gov/faq/rms-tax-discovery-faq> or email Finance.RMS@lacity.org. You may mail your response to the City of Los Angeles, Office of Finance, Enforcement Division – RMS Unit, P.O. Box 53234, Los Angeles, CA 90053-0234. Thank you in advance for registering your business with the City of Los Angeles.

Diana Mangioglou
 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 Secretary of State's office. Residential information is subject to public disclosure if the location is utilized for business purposes.

Who is required to pay the tax?

Every person who engages in business within the City of Los Angeles is required to obtain a BTRC and pay the business tax or obtain an exemption.

I do not consider myself to be in business. What does the City of Los Angeles consider to be a business?

Most activities conducted within the City for gain or benefit are considered engaging in business and subject to business tax. Specifically, the LAMC defines "business" as any activity, enterprise, profession, trade or undertaking of any nature conducted or engaged in, or ordinarily conducted or engaged in, with the object of gain, benefit or advantage, whether direct or indirect, to the taxpayer or to another or others. A person who is an employee and whose sole source of compensation is reported on a Federal Form W-2 is not in business and is not subject to the business tax.

I am a W2 employee but I do freelance work on the side. Is that considered a business?

The revenue collected from the freelance business activity is considered business income earned and is taxable under the LAMC.

I am a small business owner. Are there any exemptions available to me?

Yes. A small business with \$100,000 or less of gross receipts within and without the City, may qualify for a Small Business Exemption (LAMC Section 21.29). **(Please note: If you are not currently registered, the small business exemption does not apply to you.)**

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.)

What are the penalties for not paying the business tax or obtaining the exemption?

Failure to obtain the required BTRC and/or pay all business taxes in a timely manner may subject the tax due to additional penalty and interest charges. There are also legal remedies that the City may seek.

How can I respond to this notice?

Please consider emailing your application to Finance.RMS@lacity.org or mail to:

City of Los Angeles
Office of Finance, Enforcement Division – RMS Unit
P.O. Box 53234
Los Angeles, CA 90053-0234

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>).

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:

www.business.lacity.gov