



BUSINESS TAX INFORMATION

ADMINISTRATIVE HEADQUARTERS

The Business Operations Tax imposed by the City is based on gross payroll of the preceding calendar year. Section 3.08.020 of the Sacramento City Code states that a location where the principal business transacted consists of providing administrative or management-related services such as, but not limited to, record keeping, data processing, research, advertising, public relations, personnel administration, legal and corporate headquarter services, to other locations where the operations of the same business are conducted which lead more directly to the production of gross receipts is considered an administrative headquarter.

The Business Operations Tax for the current period is based on gross payroll from the preceding calendar year or estimated gross payroll for 12 months if the business has not been in operation for the preceding calendar year. The Business Operations Tax should be calculated as follows:

- (A) Every business that has gross payroll of \$10,000 or less shall pay a tax of \$30.00 for each year.
- (B) Every business which has gross payroll in excess of \$10,000 shall pay a tax of \$30.00 plus \$.0004 for each dollar of gross payroll in excess of \$10,000 for the reporting period; provided, however, that the maximum annual tax liability for any business under this section shall be \$5,000.

A Business Improvement Area (BIA) fee is assessed on businesses in certain areas of the City. The current business improvement areas are Downtown, Old Sacramento, Franklin Boulevard and Del Paso Boulevard. You should inquire at (916) 808-8500 to determine if your business is in one of these areas or an area subject to BIA fees subsequent to this publication.

Send the completed application and payment to:

**City of Sacramento
Revenue Division
915 I Street, Room 1214
Sacramento, CA 95814**