

# Learn More About What Kinds of Businesses Need to Pay Business Taxes

Do You Need to Register Your Business? Will You Need to Pay Business Tax?

## Who is required to pay business tax?

Anyone who conducts business or owns rental property in the City of Oakland (residential, commercial and industrial) is required to file and pay an annual business tax.

If your business is located *outside* of the City of Oakland, but doing business *within* the city, you have to pay for the business tax certificate.

If your business is located *within* the City of Oakland, but does business *outside* the City, you have to pay for the business tax certificate. However, you may apportion your gross receipts. Apportionment Guidelines are available under Director of Finance Tax Rulings 7, 8, 9 or 10. More information about the apportionment guidelines you can visit the City of Oakland [Finance and Management Agency](#).

**Non-Profits:** If you are a non-profit Federal or State of California tax-exempt organization, you may be exempt from payment of the business tax. You must submit a copy of your letter of determination from the Internal Revenue Service or from the California Franchise Tax Board confirming the exemption from income tax. Please note that even if you are exempt from income tax you are still required to register and pay the registration fee.

**Renting property:** All property owners in Oakland who wish to rent out their property must file and pay the initial \$88.00 Registration Fee in order to obtain a business tax certificate. The tax you will pay is based on your annual gross rental income at a rate of \$13.95 per \$1,000 of gross rental income. If the property is residential or mixed use, you must also complete the New Rent Adjustment Program Fee Application (RAP). If the property is 100% commercial/industrial, it is not necessary to complete this (RAP) application.

**Renting a room:** All persons who rent or sublet rooms must obtain a business tax certificate. The tax is based gross rental income at a rate of \$13.95 per \$1,000 of gross rental income.