

CITY OF OAKLAND
OFFICE OF FINANCE
REVENUE DIVISION

DIRECTOR OF FINANCE RULING NO. 4

DUAL CLASSIFICATION FOR CONSTRUCTION CONTRACTORS

Reference: Section 5-1.33 and 5-1.34 of the Oakland Municipal Code

Purpose

Provides for the taxation of persons engaged in the business of Construction Contractor and Manufacturer.

BACKGROUND

This ruling is the result of an audit, which revealed that a taxpayer was engaged in business as a Construction Contractor and also as a Manufacturer at the same location in Oakland. The taxpayer was filing and paying a business tax only on the Oakland Construction activities, but failed to file and pay on the Oakland Manufacturing activity.

RULING OF THE DIRECTOR OF FINANCE

Every person engaged in business as a Construction Contractor and Manufacturer from the same fixed location in Oakland, the following shall apply in cases where construction contractors (H) manufacture and sell or install products:

- a. Business(es) located in Oakland shall be taxed as Construction Contractor (H) and Manufacturing (I) as follows:
 1. All sales of the manufactured product(s), including those used in contractor jobs, shall be taxed under the manufacturing activity.
 2. The tax basis for the construction contractor activity shall be the total gross receipts attributable to Oakland job sites less the amount of manufactured products taxed under item 1, and other allowable exclusions.
- b. Business(es) located outside of Oakland shall continue to be taxed on gross receipts attributable to Oakland job sites with no exclusion for cost of materials.