



City of Simi Valley Business Tax

Frequently Asked Questions

What is a Business Tax Certificate?

The City's Municipal code requires that you obtain a business tax certificate when you conduct business activity within the City of Simi Valley, even if your business is located OUTSIDE the city limits or you have a business tax certificate or license from another city.

Who is required to have a City of Simi Valley Business Tax Certificate?

Any person who by the use of signs, circulars, cards, telephone books, newspapers, email solicitations, or other means of communication, advertises, holds out or represents that he/she is engaged in business in the City of Simi Valley, the transaction of which a tax is levied, shall be evidence of the liability of such party to pay such tax on business conducted within the City.

Conducting business in Simi Valley without a business tax certificate can result in penalties, violation notices, citations and court action.

What is the business tax rate?

The business tax rate for most businesses is based on annual gross receipts for the previous year. A new business should estimate their gross receipts from the day the business begins operation through December 31st of that year.

When do I need to renew my tax certificate?

All annual business taxes shall be due and payable in advance on April 30 of each year and shall be delinquent on May 1 of each year. It is the responsibility of the taxpayer to pay the tax each year that business is conducted in Simi Valley.

What are the penalties if I am late?

For failure to renew a Business Tax Certificate on or before April 30, a penalty of Ten Dollars (\$10.00) or Ten Percent (10%) of said tax, whichever is the greater, on the first day of each month after the delinquency thereof, to a maximum of no more than 100% of the tax.

What if I have more than one location and/or business?

A separate Business Tax Certificate must be obtained for each branch of operation. In addition, a person owning and/or managing two or more types of businesses must pay a tax for each establishment.

What if I change the location of my business?

A change in business name and/or business address requires a new business tax application and fee.

Why are some Profitable Businesses in California Exempt from Business Tax?

- The State of California requires certain classes of business to pay a tax to the State called an In-Lieu Tax: A tax amount greater than the standard corporate rate, paid to the State of California in-lieu of local City or County tax.

Insurance Companies of payment of the In-Lieu Tax to the State of California, Department of Insurance.

- The exemption can be found in the California Constitution, Article 13, sec 28, (F) Proof Copy of the most recent payment to the CDI and forms submitted with payment.

Insurance Agents/Brokers

Agents/brokers may be exempt if the agent appointments are only with companies that pay the In-Lieu Tax. The exemption can be found in the California Constitution, Article 13, sec 28,

Proof

Individual agent/broker: CDI website lists all agent appointments. All you need is a license number to view individual agent appointments.

<http://www.insurance.ca.gov/0200-industry/>