

## LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Business Registration with Tax Collector]

**Ordinance amending the Business and Tax Regulations Code to remove the \$100 minimum penalty from one of the penalties for failing to register with the Tax Collector; and to remove the fee and administrative requirements for obtaining a duplicate registration certificate.**

### Existing Law

Existing law imposes a penalty for failure to obtain a business registration certificate under Business and Tax Regulations Code (“Code”) Section 6.17-3. That penalty is in addition to any other liability imposed under Article 6 of the Code (including administrative penalties), and is either \$100, or a percentage of the amount owed per Code Section 6.17-1, whichever is greater.

Existing law provides procedures and a \$25 fee to obtain a duplicate business registration certificate.

### Amendments to Current Law

This ordinance would alter the calculation of the penalty in Code Section 6.17-3 for failure to obtain a business registration certificate so that it is calculated only as the penalty assessed under Code Section 6.17-1. In other words, it would remove the \$100 minimum penalty for failure to obtain a business registration certificate from Code Section 6.17-3 such that Code Section 6.17-3 would only impose a penalty for failure to obtain a business registration certificate based on a percentage of the amount owed.

This ordinance would also delete the required procedures and fee to obtain a duplicate business registration certificate.

### Background Information

In addition to the penalty for failure to obtain a business registration certificate in Code Section 6.17-3, existing Code Section 6.19-3 permits the Office of the Treasurer and Tax Collector to impose a \$100 administrative penalty (through the administrative citation process) for the failure to obtain a business registration certificate. Thus, a taxpayer that failed to obtain a business registration certificate but was not subject to a penalty under Code Section 6.17-1 (because, for example, the taxpayer was not required to pay the business registration fee), could still be liable for the \$100 administrative penalty under Code Section 6.19-3.