

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

For registration years commencing on or after July 1, 2017, 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.

AMENDED IN COMMITTEE
1/25/17

FILE NO. 161225

This digest reflects amendments made in committee on January 25, 2017, which make the changes to the penalty provisions operative only for registration years commencing on or after July 1, 2017.

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