



Finance Department
City of Culver City
9770 Culver Blvd. Culver City, CA 90232

BTR-2023-02

BUSINESS LICENSE TAX REGULATION


These regulations, as authorized by Culver City Municipal Code (“CCMC”) section 11.01.020 (“Authority of Tax Collector to Make Rules and Regulations”), are intended to aid in the enforcement of business license tax provisions of CCMC, Title 11, Chapter 11.01.

1. BUSINESS LICENSE TAX EXEMPTION ON THREE OR FEWER UNITS OF RESIDENTIAL RENTAL PROPERTY

- a. Residential Rental is defined in CCMC Section 11.01.005 – ***HOTELS, MOTELS, APARTMENTS, ROOMING HOUSES AND AUTO COURTS***. All places of business, the principal function of which is to provide guestrooms, shelter, or space at a fixed rental for the accommodation of the public.
- b. Since the 1990s, a City Treasurer interpretation, and past custom and practice, deemed the operation of residential property consisting of three (3) or fewer rental units not to be a business activity subject to the license tax.
- c. For purposes of this regulation, operation of a residential property consisting of four (4) or more rental units is considered a business activity which is subject to CCMC Section 11.01.010, including the duty to apply for and maintain a business tax certificate, and pay annual business taxes, renewal fees and fire inspection fees.
- d. Operation of a residential property consisting of three (3) or fewer rental units is exempt from the requirements of CCMC Section 11.01.010, except that such operator shall be required to obtain an annual fire inspection and shall pay the related inspection fee.
- e. Operation of a residential property consisting of two (2) or fewer rental units shall be exempt from the requirements of CCMC Section 11.01.010.

- 2. PUBLICATION; EFFECTIVE DATE.** Following execution of these regulations, the Tax Collector shall give notice of them as required for ordinances of the City and then post them to the City’s website. They shall take effect immediately upon such posting and are declaratory of the City’s existing administrative methodology for application of this business license tax.

APPROVED:


Lisa Soghor (Oct 2, 2023 13:16 PDT)

Tax Collector – Lisa Soghor

Date: Oct 2, 2023



City Attorney – Heather S. Baker

Date: Oct 2, 2023