



# What you need to know about Measure BL

## Updating Culver City Business License Tax Rates



In the November 2022 election, Culver City residents can vote on Measure BL, which proposes updating the City's business license tax rates and business classifications. See a comparison of the current and proposed rates on the other side of this flyer.

### What is a business license tax and who pays it?

Every business operating in the City is required to file a Business License Tax application before opening up shop and to pay the annual tax each year thereafter.

The following businesses and organizations are required to obtain a business tax certificate and any necessary permits; however, they are not required to pay a business tax: charitable organizations; parks, recreation & community services contractors; employees (whether on salary, commission, or other compensation basis); and homeowners' associations.

### How does Measure BL affect local business owners?

If voters approve Measure BL, approximately 6,000 businesses will no longer pay the annual business license tax, due to the \$200,000 gross receipts exemption. Businesses whose annual gross receipts exceed \$200,000 could pay a higher or lower business license tax, depending on their business type and gross receipts.

### How does Measure BL affect the Culver City community?

Business license tax revenue is a part of the General Fund and can be used for any general City expense. If voters approve Measure BL, revenue from the measure could generate approximately \$10 million annually (until ended by voters) that stays within the City and would require annual independent audits. The City could use this revenue for services such as emergency response, maintaining parks, and addressing homelessness.

### What will Measure BL say on your ballot?

"Shall the measure updating Culver City's business license tax to either a flat tax up to \$1,000, or 0.13%-0.35% of gross receipts (depending on business type), 4% for oil well operations, and an additional 0.01% for gross receipts over \$100,000,000, exempting the first \$200,000 in gross receipts, updating business classifications, generating approximately \$10,000,000 annually, until ended by voters, for such general fund services as emergency response, parks, homelessness services, and requiring annual independent audits, be adopted?"

### For More Information:

City of Culver City  
(310) 253-6000 | [MeasureBL@CulverCity.org](mailto:MeasureBL@CulverCity.org)  
Llame a la Ciudad al (310) 253-6000 si necesita información en español.

MEASURE  
**BL**

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The business license tax rate structure is based on either gross receipts or a flat rate tax depending on the type of business activity.

## **CURRENT - ranging from 0.1% - 0.3%**

Depending on business classification – 0.1% - 0.3%

Oil well operations tax rate – 1.8% or \$18/\$1,000

Flat tax up to \$720

No tax exemption on gross receipts

## **PROPOSED - ranging from 0.13% - 0.35%**

Depending on business classification – 0.13% - 0.35%

Oil well operations tax rate – 4.0% or \$40/\$1,000

Flat tax up to \$1,000

Tax exemption on the first \$200,000 in annual gross receipts for businesses whose tax rate is based on gross receipts

Additional tax of 0.01% or \$0.10/\$1,000 on gross receipts more than \$100 million

## **Are there exemptions to the proposed business license tax?**

Yes, if voters approve Measure BL, approximately 6,000 businesses will no longer pay the annual business license tax, due to the tax exemption on the first \$200,000 in annual gross receipts for businesses whose tax rate is based on gross receipts.

## **When would Measure BL go into effect?**

If approved, Measure BL would go into effect on April 1, 2023 for all new businesses. Businesses currently active in Culver City would not be impacted until the 2024 business license tax renewal period, which is due no later than February 2024.



## **Did You Know?**

Culver City has not updated business license tax rates since 1965.

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