

BUSINESS TAX CLASSIFICATIONS

The City of Newport Beach Business Tax is classified into the categories below. These are annual taxes and must be paid with the application.

Out of Town Business – If your business is based outside the City of Newport Beach, but you conduct business within the City, you are considered an Out of Town business and your tax rate is \$343.00.

Residentially Based Business – If you operate your business from your house in Newport Beach (which includes Balboa Island, Corona del Mar, Newport Coast, and Santa Ana Heights), you are considered a Residentially Based business and your tax rate is \$217.00.

Commercially Based Business – If your business is at a commercial location (this includes P.O. Boxes), you are considered a Commercially Based business and you pay a base tax of \$229.00 plus an amount per W2 employee that depends on whether your business generates sales tax for the City. If your business:

- a.) **does not** generate sales tax for the City of Newport Beach, your rate is \$23.00 per W2 employee to a maximum total tax of \$2,285.00. b.) **does** generate sales tax for the City, your rate is \$11.00 per W2 employee to a maximum total tax of \$1,143.00.

Licensed State Contractors – If your business is licensed with the State Contractor's Board, you pay a base tax of \$217.00 plus an amount per W2 employee (who is conducting business in the City of Newport Beach) that depends on whether your business generates sales tax for the City. If your business:

- a.) **does not** generate sales tax for the City of Newport Beach, your rate is \$23.00 per W2 employee to a maximum total tax of \$324.00. b.) **does** generate sales tax for the City, your rate is \$11.00 per W2 employee to a maximum total tax of \$338.00.

Real Estate/Brokers – If a Broker reports an agent as an employee and pays the tax, the agent is not required to have their own separate business license tax. If you are a Broker, please indicate any agents working in CNB on line 18 of your tax calculation.

If you are an agent who works for a Broker and have also formed a separate legal entity, such as an LLC or Corporation, you are still required to hold a valid Newport Beach Business License Certificate.

NOTIFICATION OF BUSINESS CHANGES

If your business has moved, it is important that you notify the City so you continue to receive important correspondence. If your business has relocated outside the City of Newport Beach (the City includes Balboa Island, Corona del Mar, Newport Coast, and Santa Ana Heights), **OR** if your business has moved to a commercial location, please notify the Revenue Division immediately. The move will affect your business tax rate. Also, if you have changed the type of ownership or the names of the owners, you may be required to complete a new business license application.

STATE TAX AGENCY REPORTING

The information included on this application is provided to State tax agencies including the Franchise Tax Board and the California Department of Tax and Fee Administration, as required by law. Your accurate completion of this application will reduce the need for an investigator to contact the business owner for this information.

RENEWALS

It is your responsibility to ensure that you pay your annual business tax in a timely manner. The City will mail courtesy renewal notices to the mailing address of record. However, if you do not receive a courtesy notice, you are not alleviated from this requirement. Penalties are imposed for late renewals.

IF YOUR BUSINESS IS CONDUCTED FROM A COMMERCIAL LOCATION IN THE CITY OF NEWPORT BEACH, COMPLETE THE FOLLOWING INFORMATION.

Name of person or company from whom you rent or lease _____

Address _____ City _____ State _____ Zip _____

1. Will there be live entertainment? ☐ YES ☐ NO

2. Is there an alarm system on the premises? ** ☐ YES ☐ NO

** Section 5.49.020 of the Newport Beach Municipal Code requires anyone who has installed and/or uses an alarm system to obtain an Alarm Permit from the Newport Beach Police Department. Please call the Alarm Office to obtain an Alarm Permit application: (949) 644-3722 or 644-3723, Monday through Friday, 8:00 AM - 5:00 PM.

If you answered "Yes" to Question #1, please contact the Revenue Division at 949/644-3141 for additional permit information.

Issuance of a business license represents a tax payment and does *not* authorize any business otherwise restricted or regulated by any provision of the Zoning Code or other law. Questions regarding zoning restrictions for your business should be directed to the Planning Department at (949) 644-3200.

STATE FEE

AB 1379 adds a mandated state fee of \$4 on any applicant for a business license or renewal to comply with federal and state disability laws. Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

The Division of the State Architects at www.dgs.ca.gov/dsa

The Department of Rehabilitation at www.dor.ca.gov/

The California commission on Disability Access at www.dgs.ca.gov/ccda

GENDER DISCRIMINATION NOTIFICATION-AB 1607

California Civil Code §51.6 prohibits businesses from engaging in gender-based discrimination. A full notice of the business's legal obligations is available in English and other languages at <https://www.dca.ca.gov/publications/> or by request from our office.

STATE WATERBOARD

If you do not know if your business is regulated by NPDES or you require further information, please visit the below links:

- **List of Regulated SIC Codes:**
https://www.waterboards.ca.gov/water_issues/programs/stormwater/sicnum.html
- **SB205 Flier:**
https://www.waterboards.ca.gov/water_issues/programs/stormwater/sicnum.html
- **Stormwater Industrial FAQ**
https://www.waterboards.ca.gov/water_issues/programs/stormwater/indusfaq.html
- **Stormwater Programs**
https://www.waterboards.ca.gov/water_issues/programs/stormwater/industrial.html
- **Industrial General Permits Types of Coverage**
https://www.waterboards.ca.gov/water_issues/programs/stormwater/docs/industrial/types_of_coverages.pdf

Certain types of businesses, in addition to the filing and payment for the annual business license tax, must also be licensed or permitted by the City:

Other City Licenses and Permits: <https://www.newportbeachca.gov/government/departments/finance/revenue-division/applications-permits-and-forms>

Apply online to avoid the processing fee: <https://apps.newportbeachca.gov/quest/Default?cat=BL>

Short Term Lodging Permit Municipal Code and conditions: <https://www.newportbeachca.gov/government/departments/finance/revenue-division/short-term-lodging-rentals/owners-resources>