Frequently Asked Questions
For Renewing a Business License

GENERAL QUESTIONS

When will my license expire?

- All Daly City business licenses expire annually on September 30th.

How will I know when to renew?

- The Business License Division will send courtesy notices to the mailing address and/or email address on file. Please note that it is the license holder’s responsibility to pay their license by the October 1st due date due to avoid penalties and interest charges.

How do I renew my business license? Where can I pay?

- All business license renewals will be sent via mail or email based on your preferred delivery method.
- Renewals can be returned and paid in person, via mail, email or online. We accept cash, checks, money orders or credit card (Visa/MC only)
- All businesses are required to submit a tax return and/or income statement with their renewal to verify the gross receipts.

What tax forms and other documents will I need to renew? Which tax year?

- **ALL license holders, whether located inside or outside of Daly City, are required to submit documentation to verify their income from the previous tax year upon renewal.** (Out-of-Town Contractors exempt only)
- Failure to provide your income verification may be subject to a $250 non-compliance fee in addition to the business license tax.
  - i. Rental Property: Schedule E, Schedule C or Form 8825
  - ii. Sole Proprietor: Schedule C
  - iii. LLC: Form 1065 or Income Statement
  - iv. Corporations: Form 1120 or Profit & Loss Statement

*If your business is located outside of Daly City, please submit your Profit & Loss or Income Statement (Daly City gross only).

What if I haven’t filed my tax returns yet due to the California extension? What do I submit?

- Even if you have filed an extension, all payments are due on or before October 1st.
- The business license tax will be based on the estimated gross of your business or rental property.
  - Online renewals: Upload your renewal form and write directly on the form that you have filed an extension. You may also include an income statement if you have one available.
  - Mail Renewals: Write directly on your form that you have filed an extension.
- Once your taxes have been filed, you will still be required to submit a copy of your tax document to the Business License office to verify your income. Any necessary adjustments will be made to your account for the total tax due.
  - For Overpayment: A credit will be issued to your account for the following year.
  - Underpayment: Notification of the balance due will be sent.
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How much is it to renew my business license?

- The *minimum* business license tax due is $110 + $4 State Mandate Fee = $114.00. The tax due for the current fiscal year is calculated based on the income generated during the previous tax year. *(ex: Fiscal Year 2023-2024 = Tax Year 2022)*
  - Residential Rental Properties
    - Multiply gross by .0055% of + $4 Mandate Fee
  - Commercial Rental Properties
    - Multiply gross by .0011% + $4 Mandate Fee
  - Commercial Businesses (including Home Based)
    - Multiply gross by .0011% + $4 Mandate Fee
  - Non-Gross (greater of 1. or 2.)
    - Multiply $25 per employee ($110 minimum) + $4 Mandate Fee
    - Multiply square footage by .02% + $4 Mandate Fee

What if my business just started or it did not generate income last year?

- **You are still required to renew your license by the October 1st due date.**
- If your business did not generate income, you will still need to provide a tax return, Income Statement, or similar document to verify your lack of income.
- If your business just started, will not be required to provide tax documentation upon renewal. Please indicate this information directly on your renewal form.

I am a contractor. Do I have to renew every year?

- **In-Town Contractors** are required to renew their license *annually* by September 30th.
- **Out-of-Town Contractors** are *not* required to renew their license annually however, an active business license is required to do any work in Daly City and pull permits.

How and when will I receive my license after successfully renewing?

- Your business license certificate will be sent via mail or email once all payments have been processed.
- Email certificates: Allow 1-3 business days
- Mail certificates: Allow 5-7 business days

What if my business closed or I am no longer receiving rental income?

- **Please contact our office directly** by making a “Closure Request” through the online portal or via phone, mail or email.
- **Be advised that business licenses are non-transferrable from person to person.**
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When will penalties begin accruing? How are they calculated?

- Penalties and interest accrue on payments received on or after October 2nd per Daly City ordinance.
- Penalties accrue at 10% per month for all payments received after October 1st and increase 10% each month thereafter, with a maximum of 100%. (ex: Oct. 2-31=10%, Nov. 1-30=20%, Dec. 1-31=30% etc.)
- Interest accrues at 1.5% per month for all payments received after October 1st.
- Fee waivers must be submitted in writing and will be evaluated on a case-by-case basis and are issued as a one-time courtesy.

What if there have been changes to my account?

- Any changes to your account must be submitted to the Business License Division directly. These changes can be made directly on your renewal form, via phone or email, or through the online portal.
- All changes will be reviewed and approved by the Business License Division. You may be contacted if further information is required.

How do I renew my Transient Occupancy Tax for short-term rentals? When do I renew?

- Transient Occupancy Taxes (TOT’s) should be renewed every quarter. (see schedule below)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Quarter Ended</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>September 30</td>
<td>October 31</td>
</tr>
<tr>
<td>2</td>
<td>December 31</td>
<td>January 31</td>
</tr>
<tr>
<td>3</td>
<td>March 31</td>
<td>April 30</td>
</tr>
<tr>
<td>4</td>
<td>June 30</td>
<td>July 31</td>
</tr>
</tbody>
</table>

- A courtesy notice will be sent via mail 2 weeks before the due date. Please note that it is the permit holder’s responsibility to submit a payment on time to avoid penalties and interest. We advise each permit holder to make a reminder on their personal calendar.