



Frequently Asked Questions For a New Business Application

COMMERCIAL BUSINESSES

What is a Seller's Permit? Do I need one?

- A Seller's Permit is a state issued document that allows a business to sell taxable goods or services and collect sales tax on behalf of the state. The Seller's Permit enables the state to track and receive the sales tax payments from the business.
- You **must** obtain a State of California Seller's Permit if you are engaged in business in California and are looking to sell or lease Tangible property in California that is taxed in California such as furniture, clothing, etc.
 - i. Important Note: This requirement applies to Retailers and Wholesalers. Furthermore, this requirement applied to you even if you are a Corporation C or S, LLC, Partnership, or Sole Proprietorship.
- If you have more than one place of business in California (Different Locations), you will most likely need a separate permit for each location. It's required that each location displays their own sellers permit copy.

I don't have a Federal Tax ID Number (FEIN). What should I do?

- If you don't have a FEIN, please input your Social Security Number (SSN) in the designated field.

Do my fees change based on how many employees I have?

- The employee count only affects the fees of Non-Gross Commercial businesses.

Can food trucks get a Business License in Daly City? How much is it?

- Yes. The following portions of the Municipal Code state rules for compliance to be followed while conducting sales – [Chapter 5.88.020 "Parking by peddlers or vendors"](#).
- The fee is \$125 per truck with a \$4 State Mandate Fee.

Can I apply for a permit (garage sale, cabaret, dance, etc.) online?

- No. All special permit applications must be obtained and submitted in person or via email.

What if I work from home or do not have a commercial location?

- If you work from home or do not have a commercial location, you will be considered an In-Town Residential or Home-Based Business. Please see "**In-Town Residential**" below for more information.
- You may **not** use a P.O. Box or UPS Store as your business address.

What if I have multiple businesses in different locations?

- Each business at each location must obtain their own business license. (*Rentals exempt*)

What is estimated gross? Does it affect the amount I pay for my business license?

- Estimated gross is the amount of money you anticipate your business will make in one calendar year.
- The business license tax due upon applying is based on your **estimated** gross. The business license tax due each year thereafter will be adjusted and/or based on the **actual** income which is reflected on your tax return/income statement.



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What state licenses do I need to attach, if any?

- Those who need to submit copies of their state licenses and IDs include but are not limited to: contractors, beauticians, estheticians, medical professionals, chiropractors, massage therapists, and those who require a health permit.
- Contractors must submit a picture of their government issued ID. If you are not the CSLB license holder, you must submit a company Letter of Authorization allowing you to establish the license.

What are the inspections/approvals required for new applications?

- Commercial businesses located *in Daly City*:
 - i. Fire: North County Fire will conduct a New Business Fire Inspection at the location. The inspection fee is \$419 (adjusted to \$436 on 1/1/24)
 - ii. Code Enforcement: A Daly City representative will perform an in-person inspection. No additional fee.
 - iii. Planning: A Daly City representative will determine if the location is zoned properly for the business performed.
 - iv. Police: An officer will review the business owner and location.
- Home-Based Business:
 - i. Planning: see requirements for Home Occupation Permit
 - ii. Police: An officer will review the business owner and location

IN-TOWN COMMERCIAL

What constitutes as an In-Town Commercial business?

- An In-Town Commercial business includes businesses that are located and operate *within* the city of Daly City. This may include, but is not limited to, any business that is selling goods and services, wholesale buying and selling, financial establishments, restaurants and bars, gas stations, nail salons and a wide variety of other uses.

OUT-OF-TOWN COMMERCIAL

What constitutes as an Out-of-Town Commercial business?

- An Out-of-Town Commercial business includes businesses that are located *outside* of the city of Daly City and provide services and/or goods within Daly City. This may include but are not limited to large food corporations selling to local grocers, telecom and/or telecommunications, and home health care.



Frequently Asked Questions For a New Business Application

COMMERCIAL (TAX-EXEMPT)

How do I know if I am tax-exempt?

- If you have a 501(c)(3) Tax Exemption from the IRS, you are considered a tax-exempt business. You are not required to pay a Business License Tax however, you are still required to obtain a business license.
- Businesses that may have a 501(c)(3) include churches, banks, and daycares.

COMMERCIAL (NON-GROSS)

My business is an office space and does not generate any income. Do I need a Business License?

- Yes. You are required to apply for and obtain a business license.
- The business license tax will be based on the number of employees or square footage, whichever is greater, plus a \$4 State Mandate Fee.

IN-TOWN RESIDENTIAL/HOME-BASED BUSINESS

What constitutes as an In-Town Residential Business?

- An In-Town Residential Business is a business that is either operating within a home or without a commercial location.
- In-Home Daycares licensed under 8 children also constitute as an In-Town Residential Business.

What is a Home-Occupation Permit (HOP)? Do I need one?

- A Home Occupation Permit allows a resident to conduct a limited business from their home or its accessory building. The business must be accessory to the residential use and follow zoning guidelines as designated by the Planning Department to avoid negative impacts on the neighborhood.
- All patrons who are conducting business within their home or without a commercial location are required to apply for and obtain a Home Occupation Permit.

Where do I apply for an Home-Occupation Permit? How much is it?

- The Home Occupation Permit application can be found on the Daly City website or the online portal and is required as a supplemental document when you apply. The application fee is \$104.

What if I am operating more than one business out of my home?

- If more than one business is being operated either by the same person or multiple persons within the home, each business is required to obtain their own license and pay for their own Home Occupation Permit.

What if I don't see clients in my home?

- Even if you do not see clients in your home, you are still considered home-based and must apply for a Home Occupation Permit.



Frequently Asked Questions For a New Business Application

IN-TOWN CONTRACTORS/HOME-BASED CONTRACTORS

What constitutes as an In-Town Contractor?

- **In-Town Contractors** are contractors who operate their business out of a commercial location in Daly City.
- **Home-Based Contractors** are contractors who do not have a commercial location, but use their Daly City residence as their office and point of contact.
 - Home Based Contractors must apply for an obtain a Home Occupation Permit (*see above*)
- All contractors are required to have an *active* license, verified through CSLB, and must provide a copy of a government issued ID. If you are applying on behalf of the licensed contractor, you will be required to submit a company Letter of Authorization allowing you to establish the license.

OUT-OF-TOWN CONTRACTORS

What information do I need to apply?

- You will need proof of an *active* license, verified through CSLB, and a government issued ID.
- If you are not the License Holder, you must also submit a company Letter of Authorization allowing you to establish the license.

How soon after my application will I be able to pull permits?

- You will be able to pull permits after your payment is processed and you have received an email from the Business License Department confirming that your license is active. Please allow 24 hours to complete the process.
- You may require a receipt or proof of payment to obtain a permit from the Planning Department.