



Frequently Asked Questions For a New Business Application

GENERAL QUESTIONS

Do I need a Business License?

- If your business is located, operating, or generating income in Daly City, you will need to apply for and obtain a Daly City business license. This includes all commercial and home-based businesses, rental properties and contractors working in Daly City.

How do I apply for a Business License?

- Visit the Daly City Business License Portal at: <https://dalycity.hdlgov.com>. Click "Go to Business License Portal", then click "Submit A Business License Application Online". **Please read all the information provided on the website BEFORE submitting your application.**

How much is the Business License tax for a new business?

- The minimum business license tax due for a new applicant is \$114.00, which includes the minimum tax in the amount of \$110.00 plus a \$4.00 state mandate fee. This amount may be adjusted based on the location of your business, gross receipts, estimated gross receipts, application date and/or the date your business began operating.

What is my estimated annual gross?

- Estimated annual gross is the amount of income *expected* to be generated by the business during a 12-month period.

What if my business is a Non-Profit or has Exempt status?

- If your business has been deemed "Exempt" by the IRS, no payment is due to obtain a license however, *you are still required to apply for and obtain a Daly City business license. A copy of your 501(c)(3) will be required with your application.*

Are there other fees besides the Business License Tax?

- All businesses located at a commercial location in Daly City will be required to undergo a fire inspection by North County fire and pay an Inspection Fee in the amount of \$419.00. *(This fee will be adjusted to \$439.00 on January 1, 2024.)* More information can be found at their website: <https://northcountypfire.org/wp-content/uploads/2021/10/FD-367.pdf>
- Businesses operating out of a residential location in Daly City will be required to pay a \$104.00 Home Occupancy Permit Fee upon applying.
- Commercial businesses that *do not generate income* and are being used as office space only will pay the minimum tax due based on the number of employees or square footage, whichever is greater.
- The business license tax for a food truck is \$125.00 plus a \$4.00 mandate fee.
- Short-Term Rentals are required to pay a Short-Term Rental Permit Fee of \$780, an annual renewal fee of \$148 and quarterly taxes at 13% of the rental income.

To obtain a Short-Term Rental permit, please contact the Planning Department at: 6501-991-8033.



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

- A Home Occupation Permit allows a resident to conduct a limited business from their home. The business conducted must follow zoning guidelines established by the Planning Department.
- All patrons who are conducting business within their home or without a commercial location need to apply for and obtain a Home Occupation Permit.
- If multiple businesses are being operated out of the same residential location, either by the same person or different persons, a separate license must be obtained by each business.
- The Home Occupation Permit application can be found at the online portal or directly on our website at: www.dalycity.org and should be included with your business license application. The HOP fee will be paid for in combination with the Business License tax.

What tax forms, permits, or state licenses will I need to complete my application?

- All tax forms, permits, state licenses or other documentation required is dependent upon the type of business you are operating and/or the date your business began.
- Additional copies of state licenses and IDs include, but are not limited to:
 - i. Contractors: California State Licensing Board (CSLB), Government issued ID
 1. If you are applying on behalf of a contractor but do not hold the license yourself, a Letter of Authorization on company letterhead is required allowing you to establish the license.
 - ii. Cosmetologists, Estheticians, Barbers: CA State License, Establishment License
 - iii. Medical professionals, Therapists: CA State License
 - iv. Food handlers, Restaurants, Bars: San Mateo County Health Permit, ABC License
 - v. Real estate agent: CA State license

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

- A Seller's Permit is a document issued by the State Board of Equalization that allows a business to sell any, and all, taxable goods or services.
- A Seller's Permit must be obtained if you are selling or leasing tangible goods that are sold and taxable in California such as furniture, clothing, etc. It is required for all retailers and wholesalers who operate as a Corporation C or S, LLC, Partnership, or Sole Proprietorship
- If the business has more than one location, a separate permit is required for each location and must be displayed at their place of business.
- Seller's Permits must reflect your name and/or business name and your Daly City business address.
- More information can be found at: <https://www.cdtfa.ca.gov>

What is a SIC Code? How do I find what my SIC Code is?

- A Standard Industrial Classification (SIC) Code is a four-to-seven-digit numerical code assigned by the U.S. Government to categorize the type of business. More information can be found at: <https://siccode.com/>



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Can I apply for a specialty permit online?

- No. Specialty permits (dance, cabaret, etc.) can be obtained in-person or via email request.
- Garage Sale Permits can be found online but must also be submitted in-person or via email.

Can food trucks get a Business License in Daly City?

- Yes. Refer to the Daly City Municipal Code **prior to applying** for the compliance regulations that must be followed while conducting sales – [Chapter 5.88.020 “Parking by peddlers or vendors”](#).

What if I don't have a Federal Tax ID Number (FEIN)?

- If the business is not required to obtain a Federal Tax ID number from the IRS, the business owner may use their Social Security Number (SSN) in the designated field.
- If you are unsure if you are required to obtain a Tax ID number, please visit www.irs.gov or speak with your tax preparer for more information.

How long will it take for my application to be approved?

- Please allow a minimum of 4-6 weeks for new applicants to be reviewed by the required departments. The Business License Department is unable to expedite applications. All inquiries will need to be made to each department directly for more information.

How can I pay my Business License Tax?

- Once your application has been approved by the required departments, payment information will be sent via email or by mail.
- We accept payments in-person, by mail or online. In-person payments can be made with cash, check, money order or credit card. (Visa/MC) Online payments include check or credit card. (Visa/MC)

Once my application is approved, how long will it take to receive my Business License Certificate?

- After the appropriate approvals and inspections are completed and the license has been paid, your certificate will be sent via email or USPS to the address on file within one week.

I am a Contractor. How soon after my application is approved will I be able to pull permits?

- Contractors, both In-Town and Out-of-Town, will be able to pull permits after payment of the business license tax has been processed. An email will be sent from the Business License Department confirming that your license is active. ***(In-Town Contractors must go through the standard approval process before the license can be paid and issued.)***

When will my license expire?

- All licenses expire annually on September 30th.