

The Business Tax, codified in Chapter 2.37 of the Palo Alto Municipal Code (PAMC), is a general tax on businesses operating in the City, based on square footage of the business. The tax is due quarterly by the first business day following the end of the quarter.

This form is designed to assist the typical tax payor to calculate and remit their taxes. Tax payors with non-standard circumstances will need to consult PAMC 2.37 or the Business Tax Administrative Regulations for more information or call the Tax Administrator at 650-XXX-XXXX for assistance.

The information provided in this tax return, along with required supporting documentation is presumed to be confidential and not subject to public inspection to the fullest extent allowed by law. Confidential documents may be shared with consultants retained by the City to aid in the administration of the Business Tax, provided the consultants agree to maintain the confidentiality of the documents.

Section 1 – General Information

Business Information

Business Name: _____ Acct #: _____

Primary Address: _____ Primary Phone: _____
(street #, name and sub-building #, or PO Box)

Business Operator Information

Name (first, last): _____ Email: _____

Primary Address: _____ Primary Phone: _____
(street #, name and sub-building #, or PO Box)

Date business began operations in Palo Alto: _____

During the quarter did any of these occur in Palo Alto (select all that apply):

If any of the above boxes apply, please see Administrative Regulations, Ch. 2 for accepted supporting documents to include in your tax filing.

- Closed operations in Palo Alto, date: _____ Moved out of Palo Alto, date: _____
 Added a location in Palo Alto, date: _____ Changed Square Footage in Palo Alto, date: _____

Does your business operate in a space shared by a separate business? No Yes, See PAMC 2.37.130 for Requirements

Section 2 – Exemption Determination

Is your business a:	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Non-profit or charitable organization?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Religious organization with no ancillary business on site?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Bank or other financial institution that pays the state in-lieu tax?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Qualifying small or large family daycare home? (See Administrative Regulations, Ch. 2)
<input type="checkbox"/> Yes <input type="checkbox"/> No	Any other business that is exempt from business tax, under Federal or state law? Attach documentation.
<input type="checkbox"/> Yes <input type="checkbox"/> No	Transitory business (operates less than 90 days a year)?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Grocery store?

Tax Info &
Next Steps

If you answered YES to at least 1 of the 6 questions above, then no business tax is due. Please complete and sign **Section 4 – Sworn Statement**.

If you answered NO to all 6 of the above questions, please complete **Section 3 – Calculate Amount Due**

Section 3 – Calculate Amount Due

Please attach list if additional space is needed.

Section A: Computation of Square Footage Subject to Tax			
Location Type	Physical Address	Supporting Documentation for Sq. Ft. (See Administrative Regulations, Ch. 3)	Total Square Footage
Primary Location			
Secondary Location			
Secondary Location			
Secondary Location			
Line 1: Total Square Footage for All Locations			
Line 2: Square Footage Adjustments			
a. Less 10,000 Square Feet		10,000	
b. Square Footage Adjustment for Exemption or Shared Business Space (See Administrative Regulations, Ch. 2)			
c. Total square footage adjustments (line 2a plus line 2b)			
Line 3: Square Footage Subject to Tax (Line 1 Minus Line 2c)			
Section B: Computation of Business Tax			
Line 4: Total Tax, Before Offsets and Adjustments (Line 3 Multiplied by Quarterly Rate)		\$0.1125	
Line 5: Total Tax Offsets and Adjustments (Schedule A, Line 7)			
Line 6: Total Business Tax Due, Before Penalties/Interest (Line 4 Minus Line 5)			
Section C: Total Business Tax, Penalties and/or Interest			
Line 7: Total Penalties and Interest (Schedule B, Line 5)			
Line 8: Total Due (Line 6 Plus Line 7)			
<i>Please see Administrative Regulations, Ch. 3 on how to remit payment. Failure to provide completed tax filing package will cause delay and may result in penalty and/or interest.</i>			

Section 4 – Sworn Statement

_____ (initial) I declare under penalty of perjury that the information provided in this tax filing package is true and correct as per the City’s Business Tax Ordinance (PAMC 2.37) and Business Tax Terms and Conditions.

_____ (initial) I understand that payment of this business tax DOES NOT represent approval of my use/business with respect to zoning, County Health Department approval, hazardous materials use or storage, wastewater discharge, or any other requirements. Further, I recognize that it is my responsibility to secure appropriate clearances and that is advisable for me to secure such requisite approvals prior to establishing this business and paying the business tax.

Authorized Signature

Date

Printed Name

Title

Phone Number

Schedule A: Tax Offsets and Adjustments

Eligible businesses may be able to offset some or all their business tax obligation. Please see PAMC 2.37 and Administrative Regulations, Ch. 4: Tax Offsets, for guidance.

Line 1: Transient Occupancy Tax (Same Quarter, Previous Fiscal Year)		
Line 2: Vacant Space Immediately Available for Rent or Lease <i>See PAMC 2.37.080(c) and Administrative Regulations, Ch. 4</i>		
a. Total Vacant Space (Square Footage)		
b. # Of Calendar Days Vacant, Divided by Number of Calendar Days in Quarter		
c. Vacant Space, Pro-Rated for Days Vacant (Line 2a Multiplied by Line 2b)		
Line 3: Total Vacant Space Offset (Line 2C Multiplied by Quarterly Rate)	\$0.1125	
Line 4: Discretionary Sales or Use Tax (Same Quarter, Previous Fiscal Year) <i>See PAMC 2.37.080(b) and Administrative Regulations, Ch. 4 for Requirements and Calculation Instructions</i>		
Line 5: Change in Square Footage		
a. Total Increase in Square Footage (Moved Into, Added Location, Added Sq. Ft.)		
b. Total Decrease in Square Footage (Closed, Moved Out Of, Reduced Sq. Ft.)		
c. Net Change in Square Footage (Line 5a Minus Line 5b)		
d. # of Calendar Days Change in Sq. Ft., Divided by Number of Calendar Days in Quarter		
e. Change in Sq. Ft., Pro-Rated for Calendar Days (Line 5c Multiplied by Line 5d)		
Line 6: Total Adjustment for Change in Sq. Ft. (Line 5e Multiplied by Quarterly Rate)	\$0.1125	
Line 7: Total Offsets and Adjustments (Total of Line 1, 3, 4, and 6)		

Schedule B: Calculation of Late Payment Penalty and Interest Due

Payment is due the first day of the following quarter and is delinquent thirty (30) days later. Delinquent taxes are subject to penalties and interest as outlined in PAMC 2.37.140 and Administrative Regulations, Ch. 3: Calculating and Paying Business Tax.

Line 1: Total Tax Due (Section 3A, Line 6)		
Line 2: Late Payment Penalty		
a. If less than 60 days delinquent, multiply Line 1 by 10%		
b. If 60 days or more delinquent, multiply Line 1 by 25%		
Line 3: Total Late Payment Penalty (Line 2a plus Line 2b)		
Line 4: Interest Due, Multiply Line 1 by 1.5% for Every Month the Tax is Delinquent		
Line 5: Total Late Payment Penalty and Interest Due (Line 3 plus Line 4)		