

*City of Seal Beach*  
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## **GENERAL BUSINESS LICENSE INFORMATION**

### **BUSINESS LICENSE FEES**

The City of Seal Beach City Council approved Policy 100-08 on August 8, 2005 that modified the business license system to a tiered system. The first tier will exempt a business operating in Seal Beach from the current business license fee if their annual gross revenue/receipts before deductions/expenses are less than \$25,000. There is a processing fee associated with exempt businesses. The second tier will require a business operating in Seal Beach with annual gross revenue/receipts of/or over \$25,000.01 to pay the full amount of the appropriate business license tax. Should this policy conflict with the business license tax code, the existing code shall prevail until the conflict is resolved by either the Director of Finance or the City Council. This policy requires an exempt business (a business with gross revenue equal to/or less than \$25,000 in annual gross revenues/receipts before deductions/expenses) to complete the necessary paperwork and submit one of the qualifying federal tax returns to verify the license fee exemption and be issued a business license (SBMC 5.10.015, 5.10.025, 5.10.030, 5.10.040). This policy does not apply to home occupation business permits.

### **BUSINESS LICENSE PROCEDURES**

First time business license applicants to the City of Seal Beach will be required to pay the appropriate fees according to the Seal Beach Municipal Code, Chapter 5.10, prior to the issuance of a license (Fee Schedule FY 2014-15, Resolution 6474). If the business' gross revenue for the tax year is \$25,000 or less (before deductions/expenses), the business would be entitled to a refund (less processing fee) of the amount paid upon submitting a copy of the appropriate federal tax returns. Qualifying federal tax returns accepted are:

- Schedule C (Form 1040) – Profit or Loss From Business Sole Proprietorship; or
- Schedule E (Form 1040) – Supplemental Income and Loss From rental real estate, royalties, partnership, etc.; or
- Schedule C-EZ (Form 1040) – Net Profit From Business Sole Proprietorship; or
- Form 1065 – U.S. Return of Partnership Income.

After the appropriate tax return is reviewed, a determination will be made regarding the exemption. The review and refund process may take two weeks before a check may be issued. All refunds will be mailed to the mailing address in the business license file.