



2024-2025

ADOPTED

Business Tax Schedule

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**City of Manhattan Beach
BUSINESS LICENSE TAX RESOLUTION 2024-2025
(Provided for in MBMC Section 6.01.290)**

| MAJOR BUSINESS CLASSIFICATION | CATEGORY | GENERAL INFORMATION | 2023-2024 TAX RATES | 2024-2025 TAX RATES |
|--|-------------------------------------|--|---|---|
| Administrative and Sales Office | 1) Administrative and Sales Office | 1) For administrative and sales offices or similar businesses | \$285.92 per annum plus \$39.68 per employee in excess of 2 not to exceed \$11,072.00 | \$295.04 per annum plus \$40.94 per employee in excess of 2 not to exceed \$11,426.00 |
| | 2) Branch Establishments | | | |
| Commercial Property | Commercial Property | Every person who owns commercial real property within the city and who rents or leases such property or any portion thereof shall pay a business license tax | Pay the greater of \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00 or \$.420 per square foot for building area in excess of 5,000 square feet less 1/3 sales tax credited to the City of Manhattan Beach not to exceed \$228,747.00. | Pay the greater of \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00 or \$.430 per square foot for building area in excess of 5,000 square feet less 1/3 sales tax credited to the City of Manhattan Beach not to exceed \$236,066.00. |
| Contractors | 1) Contractors 2) Owner Builders | General building trades (including general, electrical, plumbing, etc. A or B, C10, C36, C44, C45, C53 as licensed by the State). Every person engaged in the business or acting as a contractor shall pay the tax | \$463.44 per annum | \$478.24 per annum |
| Home Occupation | Home Occupation | No license shall be issued under this subsection until the applicant has applied for and received a home occupation permit as required by Section 10.52.070 | \$142.68 per annum for the first \$50,788.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | \$147.24 per annum for the first \$52,413.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |

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|-------------------------------|-----------------------|---|--|--|
| Hotels/Motels | Hotels/Motels | In addition to business license tax fees, a transient occupancy tax shall be paid | \$26.50 per annum per unit | \$27.34 per annum per unit |
| Manufacturing | Manufacturing | Every person engaged in the business of manufacturing or conducting any business considered to be of manufacturing in nature | \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |
| Out-of-Town | Out-of-Town | Any business in the city without a fixed location (except out-of-town Contractors and Sub-Contractors, see page 2 and page 7) | \$142.68 per annum for the first \$50,788.00 of gross receipts (Manhattan Beach only) and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | \$147.24 per annum for the first \$52,413.00 of gross receipts (Manhattan Beach only) and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |
| Professionals | Professional Services | All persons engaged in any business, profession or occupation considered to be of a professional nature unless expressly provided for elsewhere in this section. Professional services shall include but are not limited to accountant, architect, attorney, chiropractor, consultant, dentist, doctor, engineer, escrow services, financial institutions (to determine parking fee), hospital, insurance agent (exempt-waiver needed), insurance broker, mortuary, psychologist, public relation, real estate, veterinarian. | \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |

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|-------------------------------|-----------------------|--|---|---|
| Public Utilities | 1) Public Utilities | 1) Not subject to franchise fee. Subject to franchise fee. | 1) Not subject to franchise fee shall pay \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | 1) Not subject to franchise fee shall pay \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |
| | 2) Refuse Collection | 2) Purpose of refuse collection. | Subject to franchise fee – shall pay \$285.92 per annum. 2) \$383.92 per annum per vehicle | Subject to franchise fee – shall pay \$295.04 per annum. 2) \$396.20 per annum per vehicle |
| Recreation and Entertainment | 1) Arcades | 1,2) Arcades indoors where photographs, gramophones, talking machines, biographs, projectoscopes, weighing machines, muscle testers, lung testers, fortune telling machines, palm reading machines, game machines or machines or devices of like character | 1) \$995.96 per year plus \$267.90 per machine. Initial tax of \$995.96 is an application fee. | 1) \$1,027.80 per year plus \$276.47 per machine. Initial tax of \$1027.80 is an application fee. |
| | 2) Billiard/Pool Room | | 2) \$.273 per square foot per year plus \$214.58 per table and \$49.30 per table for each table in excess of four. | 2) \$.281 per square foot per year plus \$221.44 per table and \$50.87 per table for each table in excess of four. |
| | 3) Fortune Telling | 3) Subject to special permit of City Council. Initial application fee \$102.00 | 3,4,5) \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | 3,4,5) \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |
| | 4) Game Machines | 4) For locations where game machines are an accessory to the operation of the business. Annual tax \$161.00 (2 machines or less). | | |
| | 5) Juke Boxes | | | |

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| MAJOR BUSINESS CLASSIFICATION | CATEGORY | GENERAL INFORMATION | 2023-2024 TAX RATES | 2024-2025 TAX RATES |
|---------------------------------------|--|--|---|---|
| Retail | 1) Beer bars and cocktail lounges 2) Lunch wagon and ice cream trucks 3) Mail or phone order 4) Restaurants | 2) County health permit required. Not to be parked longer than 10 minutes per location as per Section 14.36.130. Subject to approval of Police Department. | 1) \$.471 per square foot per year 2) \$383.24 per annum per vehicle 3) \$149.84 per year 4) \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. \$.471 per square foot for cocktail/lounge area only | 1) \$.486 per square foot per year 2) \$395.48 per annum per vehicle 3) \$154.60 per year 4) \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. \$.486 per square foot for cocktail/lounge area only |
| | 5) Retail sales and service 6) Vending machines | 6) Applicant shall furnish location of all machines owned, operated or serviced within the city. Applicant shall place his name and address on each machine. An official city sticker shall be affixed in a conspicuous place to each machine. | 5,6) \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | 5,6) \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |
| Rental of Residential Property | 1) Condominiums | 1) Business license required per city conditional use permit – no tax payment is required for license. | | |
| | 2) Dwelling units | 2) Three or more units per lot. | 2) \$26.50 per annum per unit. A credit of \$26.50 allowed for an owner-occupied unit. | 2) \$27.34 per annum per unit. A credit of \$27.34 allowed for an owner-occupied unit. |

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| MAJOR BUSINESS CLASSIFICATION | CATEGORY | GENERAL INFORMATION | 2023-2024 TAX RATES | 2024-2025 TAX RATES |
|---------------------------------|---|---|---|---|
| Research and Development | Research and Development | Every person, firm or corporation with five or more employees engaged in the business of research and development for scientific purposes | Pay the greater of \$285.92 per annum plus \$39.68 per employee not to exceed \$11,072.00 or \$.671 per square foot per year for building area in excess of 5,000 square feet less 1/3 sales tax credited to the City of Manhattan Beach (whichever is greater) not to exceed \$228,747.00. | Pay the greater of \$295.04 per annum plus \$40.94 per employee not to exceed \$11,426.00 or \$.692 per square foot per year for building area in excess of 5,000 square feet less 1/3 sales tax credited to the City of Manhattan Beach (whichever is greater) not to exceed \$236,066.00. |
| Services | 1) Bath and massage 2) Gardeners 3) Handbills 4) Private patrol 5) Various installations and services (out of town) 6) Window cleaning | 1) Non-refundable application fee – \$64.00. Change of location fee –\$17.00. A separate application must be submitted by a business for individual employees. Health clubs providing bath and massage service are subject to Section 4.36.160, however, gross receipts generated by bath or massage may be included with other receipts. 5) When not in connection with a fixed place of business within the city | 1,4,6) \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. 2) \$179.96 per annum per vehicle 3) \$213.40 per person per annum or \$52.17 per day per person. 5) \$142.68 per annum for the first \$50,788.00 of gross receipts (Manhattan Beach only) and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | 1,4,6) \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. 2) \$185.68 per annum per vehicle 3) \$220.20 per person per annum or \$53.83 per day per person. 5) \$147.24 per annum for the first \$52,413.00 of gross receipts (Manhattan Beach only) and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |

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| MAJOR BUSINESS CLASSIFICATION | CATEGORY | GENERAL INFORMATION | 2023-2024 TAX RATES | 2024-2025 TAX RATES |
|-------------------------------|--|---|---|---|
| Subcontractors | 1) Subcontractors 2) Minor construction | Every person engaged in the business or acting as a subcontractor (C2, C4, C6, C8, C9, C11, C12, C15, C16, C17, C20, C21, C23, C26, C27, C29, C32, C33, C34, C35, C38, C39,C42, C43, C50, C51, C54, C55, C57, C60, C61, and other classifications established by the State Contractors Board) | \$231.52 per annum | \$238.92 per annum |
| Wholesale | Wholesale | Every person engaged in the business of selling goods, wares or merchandise for the purpose of resale | \$285.92 per annum for the first \$83,479.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | \$295.04 per annum for the first \$86,150.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |

**City of Manhattan Beach
BUSINESS LICENSE TAX RESOLUTION 2024-2025
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SPECIAL BUSINESS CATEGORIES

| MAJOR BUSINESS CLASSIFICATION | CATEGORY | GENERAL INFORMATION | 2023-2024 TAX RATES | 2024-2025 TAX RATES |
|-----------------------------------|---|--|---|---|
| Holiday Activities | 1) Xmas Tree Lots 2) Pumpkin Patches | Per season per location. \$113.00 refundable cleanup fee payable at time of application. | \$174.80 | \$180.36 |
| Itinerant Vendors/Peddlers | 1) Solicitors, Peddlers 2) Itinerant Vendors, Dealers or Merchants | 1) Agents or solicitors selling or soliciting or taking orders for the sale or furnishing of any goods, wares, merchandise or service when not in connection with a fixed place of business licensed within the city 2) Vendors, dealers or merchants shall include all persons who commence or conduct business by haranguing persons within the city or who use the various customary devices for attracting crowds and therewith recommending their goods, wares or merchandise and offering for sale or exchange. | 1) \$768.84 per annum for first 5 people and \$124.44 per person in excess thereof or \$124.44 per day per person. ** Subject to special permit from the Police Dept. to be first obtained.** 2) \$46.06 per day or \$492.84 per year. **Subject to special permit from the Police Dept. to be first obtained.** | 1) \$793.44 per annum for first 5 people and \$128.42 per person in excess thereof or \$128.42 per day per person. ** Subject to special permit from the Police Dept. to be first obtained.** 2) \$47.53 per day or \$508.60 per year. **Subject to special permit from the Police Dept. to be first obtained.** |

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| MAJOR BUSINESS CLASSIFICATION | CATEGORY | GENERAL INFORMATION | 2023-2024 TAX RATES | 2024-2025 TAX RATES |
|--|-----------------------------|---|--|--|
| Special Events | 1) Carnivals and amusements | 1) For amusements, where an admission, fare, fee or charge is charged or made, or a collection or contribution received, such as exhibitions, shows, games, rides, tent performances, merry-go-rounds, carousels, chute-the-chutes, shooting galleries, ferris wheels, pig slides, ballgames, dart games, roller coasters, grunt derbies, whip rides, scooter rides, sideshows, illusions and other amusements or concessions similar in character to those named in this section; provided, however, that the license fee for pony rides for small children shall be \$196.00 per year where not to exceed 12 ponies are used and \$5.00 for each additional pony; and provided further that no permit for any amusement referred to in this section shall be issued without a special permit from the Council to be first obtained. | 1) \$962.36 per day plus \$72.48 per day for each food booth | 1) \$993.12 per day plus \$74.79 per day for each food booth |
| | 2) One/two day shows | 2) Every person or promoter engaged in the business of conducting one/two day shows and every participant or booth. | 2) \$64.76 per day plus \$2.56 per day per booth | 2) \$66.83 per day plus \$2.64 per day per booth |
| Transportation of Persons/Goods | 1) Retail deliveries | 1) For retail deliveries when not connected with a fixed place of business within the city. | 1) \$142.68 per annum for the first \$50,788.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | 1) \$147.24 per annum for the first \$52,413.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |
| | 2) Taxicabs | 2) Taxicabs or other passenger vehicles for hire. | 2) Please see footnote * | 2) Please see footnote * |
| | 3) Wholesale deliveries | 3) For wholesale deliveries when not connected with a fixed place of business within the city. | 3) \$142.68 per annum for the first \$50,788.00 of gross receipts and \$2.56 per \$1,000.00 in excess thereof not to exceed \$11,072.00. | 3) \$147.24 per annum for the first \$52,413.00 of gross receipts and \$2.64 per \$1,000.00 in excess thereof not to exceed \$11,426.00. |

* Effective January 1, 2019, Assembly Bill 1069 (“AB 1069”) repealed the existing law that previously required every city to adopt an ordinance or resolution regulating taxicab transportation. AB 1069 acts to modernize the regulation of taxicab transportation services in order for taxicabs to better compete with all for-hire modes of transportation.

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SPECIAL BUSINESS CATEGORIES

Additional Information:

1. **Penalties and Interest.** Assessed on understated fees per Section No. 6.01.290. The penalty for any deficiency determined by audit shall be 10% of the amount due plus interest of 1.5% for each month or part thereof beyond the due date of May 1st.

2a. **Parking and Business Improvement Area.** Pursuant to Ordinance No. 1375 – Area “A” the following additional levy of business tax is established on all businesses except commercial rental or lease property conducting their activities in the Areas.

Area A – Downtown Area – 80% of the ordinary business license tax not to exceed \$600.00

2b. **Parking and Business Improvement Area.** Pursuant to Ordinance No. 2071 – Area “B”.

Area B – North Manhattan Beach Area – 80% of the ordinary business license tax not to exceed \$500.00

3. **Admissions Tax.** This shall be imposed upon each person attending a live sporting, theatrical or any amusement type of exhibition taking place within a non-public enclosure, stadium or building. The operator of such event shall be responsible for the collection and payment to the city of such tax along with an accountant as may be prescribed by the Director of Finance. The payment to the city is due within 10 days after the event takes place.

Amount of Tax – shall be the greater of:

- a) 8% of the admission price
- b) \$.35 per person

Exemptions – no tax shall be imposed upon:

- a) Bona fide employees of the management
- b) City officials on official business
- c) Members of the press in the performance of their duties
- d) Contractors in performance of their job
- e) Concessionaires
- f) Complimentary tickets

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SPECIAL BUSINESS CATEGORIES

4. **AB 2164 (Lee, 2022).** A fee in the amount of \$4.00 shall be collected from all businesses upon issuance or renewal of license to pay for development of more educational and training resources at state and local level to promote ADA compliance. Monies collected split 90% to City, 10% to Division of State Architect. The City may use 5% of monies collected for administration costs and the rest shall go to pay for hiring and training of more certified access specialists (CAsp) for City building department and to facilitate compliance with construction-related accessibility requirements, to include providing financial assistance to small businesses for construction of physical accessibility improvements.
5. **Consumer Price Index Adjustments.** Per Section No. 6.01.320, business license taxes provided for in above MBMC Section shall be adjusted annually commencing March 1, 1979, in accordance with the increase or decrease in the cost of living. All adjustments shall be based on the Bureau of Labor Statistics - Consumer Price Index for All Urban Consumers - All Items (1967 - 100) for the preceding September. When the Bureau of Labor Statistics changes the base year for reporting changes in the CPI, the annual change in CPI shall be based on the new base year.
6. **Providing Documentation to Support Gross Receipts.** All businesses paying a business license tax based on gross receipts are required to include and return documentation to support reported gross receipts with the renewal application. Documentation must be for the year on which the license tax is based and is subject to audit. The documentation can be, but is not limited to, the following: Schedule C, income statement, profit and loss statement, financial statement, ledger sheet, declaration from taxpayer, notarized letter or State Board of Equalization return. If, in the opinion of the licensing authority, an alternate form of documentation is sufficient, then the alternate form can be supplied. If the tax return is incomplete or cannot be furnished with the business license tax renewal, an estimate may be submitted and an adjustment will be made, if necessary, when the actual return has been completed and submitted to the licensing authority.
7. **Exemptions.** Per Section No. 6.01.280G, the City Manager shall have the authority to exempt businesses from paying business license tax and/or late penalties.
8. **Late Penalties.** Per Section No. 6.01.270, a penalty of ten percent (10%) of the amount of such license fee will be added for failure to pay the amount of the license fee to said City on or before April 30, 2024 and an additional penalty of ten percent (10%) of the amount of such license fee shall be added at the end of each month thereafter that the fee remains unpaid after April 30, 2024.