

CITY OF VERNON

4305 Santa Fe Avenue, Vernon, CA 90058
 Attn: Business License Coordinator (323) 583-8811 Ext. 270

BUSINESS LICENSE TAX EXAMPLES
EFFECTIVE THROUGH DECEMBER 31, 2015

BUSINESS LICENSE TAX - WAREHOUSING

Every person engaged in warehousing in the City, including refrigerated warehousing, shall pay the tax as follows:

First 5,000 Square Feet..... \$1,200.00
 All square footage over 5,000 square feet.....\$0.21 per square foot
 Maximum tax is \$11,950.00

Warehousing means the storage of goods intended for distribution to other locations. Warehousing does not include:

- 1.) the storage, at a location, of materials for use by a manufacturing business conducted at that location, or
- 2.) the storage, at a location, of products manufactured at that location.

Square footage includes:

- 1.) the square footage of all buildings (or portions of buildings) and
- 2.) outdoor square footage used for storage as part of a warehousing operation.

Square footage does not include outdoor square footage used for parking of motor vehicles.

See VMC Section 5.22(b)(3) for businesses that combine warehousing and some other business activity at a single location.

	<u>Example 1</u>	<u>Example 2</u>	<u>Example 3</u>
Square Footage	5,000	35,000	65,000
(a) 1st 5,000 square feet	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
(b) Multiply square footage over 5,000 by \$0.21	-	6,300.00	12,600.00
(c) Add lines (a) and (b)	<u>1,200.00</u>	<u>7,500.00</u>	<u>13,800.00</u>
(d) If (c) is greater than \$11,950, subtract the amount over \$11,950	-	-	(1,850.00)
(e) Business license tax	<u>1,200.00</u>	<u>7,500.00</u>	<u>11,950.00</u>
(f) Initial application fee (Renewal fee is \$20)	50.00	50.00	50.00
(g) State tax fee	1.00	1.00	1.00
(h) Amount due - add lines (e)+(f)+(g)	<u><u>\$ 1,251.00</u></u>	<u><u>\$ 7,551.00</u></u>	<u><u>\$ 12,001.00</u></u>