

CITY OF SANTA ANA

BUSINESS TAX OFFICE

20 CIVIC CENTER PLAZA, FIRST FLOOR (M-15), PO BOX 1964, SANTA ANA, CA 92702 (714) 647-5447



Independent Contractors & State Licensed Contractors Alternate Tax Return Worksheet (Flat Rate Assessment)

If you are: **(1)** a State Licensed Contractor or **(2)** a Self-Employed Independent Contractor receiving an IRS 1099 Form, complete the tax return worksheet on the back side of this notice in lieu of the standard gross receipts assessment worksheet printed on the reverse side of the accompanying Business License Tax Application Form.

If you are doing business as a sole proprietorship, general partnership, or as a principal in any business, including the rental of commercial real estate, complete the standard gross receipts tax return worksheet printed on the reverse side of the accompanying Business License Tax Application Form. Note: Individuals who have registered a County of Orange Fictitious Business Name or DBA (doing business as) or who have registered a Business Entity Name with the California Secretary of State are not deemed to be operating as independent contractors. State Licensed Contractors are qualified to complete the alternate tax return worksheet regardless of whether they are individuals, a sole proprietorship, partnership, corporation or other registered business entity.

Exceptions: If you are engaged in the Rental of Residential Real Estate within the City, or if you maintain Coin-operated Machines within the City, if you operate Catering, Produce, or Delivery Trucks within the City, contact us by email at tax-holiday@santa-ana.org or call us at (714) 647-6720 to receive your specific tax rate schedule worksheet(s).

Independent Contractors & State Licensed Contractors - Business Licenses assessed on a flat rate tax category basis are issued for calendar year periods for Independent Contractors & State Licensed Contractors and are payable in advance. The tax is calculated based on the Tax Rate Category. Businesses or self-employed individuals, whose start date was after April 1, 2023, may prorate the initial year's tax. Flat rate tax assessments are proratable on a quarterly calendar year basis.

Independent Contractors including building tradesmen, gardeners, janitors, maintenance men, peddlers, real estate sales agents, security guards, solicitors, transportation network drivers or other free-lance/self-employed individuals for whom a Form 1099 is issued are assessed based on a single annual rate.

California State Licensed Contractors with valid Board licenses are assessed on the highest rate based on the license(s) held by the contractor.

Gratuitous Businesses/Hobbyists - To qualify as a Gratuitous licensee or Hobbyist, your occupation or business must be part-time and you must gross not more than \$5,000 annually.

Completing Your Business License Tax Application & Tax Return Worksheet

Steps: First complete the accompanying **Business License Tax Application** - front side only **[STEP 1]**, then go to the reverse side of this notice and report the Tax Rate Category for the appropriate tax year on the Tax Return Worksheet on the reverse side of this notice. **[STEP 2] (required / self-compute tax – optional)**; sign and return both the completed application and Tax Return Worksheet along with the a minimum \$19.00 Registration Charge and State Fee by the date indicated on the notification letter. **[STEP 3]** A billing statement with a thirty-day grace period will be sent within 60 days. For tax deferral and installment payment plans – refer to the notification letter sent.

TAX RETURN WORKSHEET:(Independent Contractors / State Licensed Contractors / Gratuitous Licensees):

[STEP 1: COMPLETE ACCOMPANYING BUSINESS LICENSE TAX APPLICATION FORM - Front Side Only]

[STEP 2: COMPLETE REPORT OF TAX RATE CATEGORY - REQUIRED / SELF-COMPUTE TAX - Optional]

(You may self-compute your tax or have us do it for you based on your start date as an Independent Contractor or State Licensed Contractor or Gratuitous Licensee. If you choose to have us calculate your tax – just check the box next to applicable tax rate category and leave the Tax Amount Due blank - pay only the \$19 Registration/State Charge now and we will send you a bill for the balance with a 30 day grace period.)

YEAR	TAX RATE CATEGORY	RATE	TAX AMOUNT DUE
2023*	Independent Contractor	\$35.00	\$ _____
	State Licensed Contractor (Class A or B)	\$300.00	\$ _____
	State Licensed Contractor (Class C)	\$275.00	\$ _____
	Gratuitous Licensee/Hobbyist	\$10.00	\$ _____

*If your start date was after April 1, 2023, you may prorate the initial year's tax. To prorate first divide the initial year's Tax Amount Due by 4 (representing the 4 calendar quarters); then multiply this amount by the number of quarters starting with the quarter in which your business/self-employment commenced. Enter the prorated amount under TAX AMOUNT DUE.

Tax Amount Due - (Enter if self-computed or leave blank and we will calculate)..... \$ _____

Registration Charge + State Fee - (Required)..... \$ 19.00

Total Amount Remitted - (\$19 minimum payment required - we will bill you for the balance).....\$ _____

Additional fees for a Certificate of Occupancy or Home Occupation Permit may be required. *Businesses operating from a commercial location within the City are required to obtain a Certificate of Occupancy. Businesses operating from a residence within the City are required to obtain a Home Occupation Permit. To initial the review and/or inspection process, contact the Planning & Building Agency at (714) 647-5804 or visit www.santa-ana.org/certificate-of-occupancy-home-occupation-permit/.*

If you pay by check and it is returned, you expressly authorize the electronic debit of your account for the check amount, plus a processing fee of \$25.

[STEP 3: SIGN, DATE AND MAIL-IN COMPLETED APPLICATION / REPORT FORM + \$19 REGISTRATION/STATE CHARGE]

Signature _____	Date _____
Print Name _____	Title _____