

CITY OF SANTA ANA  
BUSINESS TAX OFFICE (M-15)



20 CIVIC CENTER PLAZA, 1<sup>ST</sup> FLOOR ROSS ANNEX, P.O. BOX 1964, SANTA ANA, CA 92702 - (714) 647-5447

**RESIDENTIAL RENTAL NOTICES - FREQUENTLY ASKED QUESTIONS (FAQs)**

**Q: What is the City of Santa Ana Tax Holiday Program?**

A: The Tax Holiday Program is a temporary program authorizing - based on the application of current year tax rates - the waiver of penalties normally assessed for noncompliance with the City's business license tax to encourage businesses, including residential landlords, who have not yet obtained their required business license(s) to come forward and fully comply with the City's business license tax.

**Q: Why did I receive a notification? What does Santa Ana consider a "residential rental business"?**

A: County property tax records indicate that you are the non-resident owner of a residential property in the City of Santa Ana. This indicates you may be operating a residential rental business in the City and have not yet obtained a City Business License Tax Certificate for that location. Municipal Code Section 21-3 defines the business of rental of residential real estate as including every person who engages in the business of leasing, renting, subleasing, subletting, providing, exchanging or trading without loss of ownership or leasehold any residential property within the City for purposes of general residency.

**Q: How is the residential rental business license tax assessed?**

A: The business license tax for the rental of residential real estate is assessed per property, based on the ownership of the property. A separate business license is required for each separate rental property location. The business license tax assessment is made on a per unit basis and reflects the maximum number of rentable units making up the property. Permitted Accessory Dwelling Units (ADUs) are also considered rentable units. **Please note: City of Santa Ana does not permit nor license short-term rentals.**

**Q: I am renting to family members, is this still considered to be a business? Do I have to get a business license?**

A: Renting to family members is considered to be a business and a license is required. If you are renting only to immediate family members and the amount you receive is not more than the "cost of said premises" you may qualify for a "fee-exempt" license. To see if you qualify, contact us by phone or email and ask for a Family Member Rental Exemption form or visit our website at <https://www.santa-ana.org/business-license-tax-forms/>. In any communication with us include your **File Reference # - see notice**.

**Q: I believe I have received this notice in error: (1) I have a current business license for the property referenced; (2) I do not lease or rent out the property referenced; (3) I no longer own or control the property referenced; (4) I qualify for a fee exempt Family Member Rental Exemption; (5) we are/or I represent a nonprofit organization. What do I do?**

A: Complete and submit the Request for **Business License Tax Review** below. Your completed request will be reviewed - please attach any additional explanatory information needed - if we determine that a business license is required, a registration notice will be sent, otherwise you will be removed from our current notification list.

**REQUEST FOR BUSINESS LICENSE TAX REVIEW**

**PRINT NAME:** \_\_\_\_\_ **FILE REFERENCE #:** \_\_\_\_\_

**E-MAIL:** \_\_\_\_\_ **PHONE:** (\_\_\_\_) \_\_\_\_\_

**Yes No Please check [√] Yes or No to each of the following:**

- The property referenced is already licensed. (**Santa Ana Business License Tax #** \_\_\_\_\_)
- The property referenced is my principle residence and is not being rented to another.
- This property is vacant and for sale and is not, nor will be, held out for rent or lease.
- This property has been sold or transferred to another person. (**Date of Sale or Transfer:** \_\_\_\_\_)
- This property is occupied by a secondary owner or a family member and no rent or lease payment is received.
- This property is occupied by a qualified immediate family member and the rent or lease payment received is less than or equal to the "cost of said premises". (Attach completed Family Member Rental Exemption Application).
- This property is owned by a nonprofit organization. (Attach completed Nonprofit Business License Application - include proof of exemption such as an IRS 501(c)(3) form or a FTB tax exempt certification: A registration fee only business license will apply).

**OFFICIAL USE ONLY**

*Determination* - Registration Notice Upheld [ ] Dismissed [ ] Date: \_\_\_\_\_ Reviewer: \_\_\_\_\_