

Chapter 3.40 BUSINESS TAX

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3.40.010 Purpose.

This chapter is enacted to raise revenue for municipal purposes and not for the purpose of regulation. The payment of a business tax required by this chapter, and its acceptance by the City, and the issuance of a business tax certificate to any person shall not entitle the holder thereof to carry on any business unless he or she has complied with all of the requirements of the City Code and all other applicable laws, nor to carry on any business in any building, on any premises, or in any location designated in such business tax certificate in the event that such building, premises or location is situated in a zone or locality in which the conduct of such business is in violation of any law. (Ord. 1923 § 1, 4-8-14).

3.40.020 Effect on other fees and charges.

Persons required to pay a business tax for transacting and carrying on any business under this chapter shall not be relieved from the payment of any other charge, fee, or tax as may be imposed by the City for the privilege of doing business within the city, or for the cost of regulating a business, and

such persons shall remain subject to the regulatory provisions of all other ordinances, codes, and resolutions of the City, including but not exclusive to regulations for zoning, building, fire, and safety. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.101).

3.40.030 Chapter controlling.

To the extent that the provisions of this chapter are inconsistent with the provisions of any other chapter of the City Code or parts thereof, the provisions of this chapter shall be deemed controlling. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.102).

3.40.040 Definitions.

The words and terms used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

- (a) "Business tax certificate" means the document issued as a result of a completed tax affidavit and taxes paid.
- (b) "Business" means all and every kind of profession, vocation, trade or activity, whether or not carried on for profit or gain.
- (c) "Business community" means any and all areas of the City not zoned as residential.
- (d) "Director" means the Director of Finance or his or her designee.
- (e) "Employee" means any or all persons engaged in the operation or activity of any business, whether as owner, a corporate officer, a partner, agent, manager, solicitor or any and all persons employed or working in such business either full time, part-time, permanent or temporary.
- (f) "Fiscal year" means an accounting period of twelve (12) months commencing upon the payment of a business tax and every twelve (12)-month period thereafter.
- (g) "Handbill distributor" means one who distributes any commercial advertising, booklet, card, circular, dodger, newspaper, pamphlet, sample specimen, sheet or other printed or written notices, advertising any art, article, business, commodity, entertainment, meeting, merchandise, person, service, skill or thing offered, sold, or rendered for hire, reward, price, trade or profit.
- (h) "Itinerant merchant" means any person, or employee, who engages in a business in the city by selling or offering for sale articles, goods, merchandise or wares of value, for period of not more than one hundred ninety (190) consecutive days and who, for the purpose of carrying on such business, hires, leases or occupies any room, building or structure on any real property on or adjoining any

street or public place in the city. Such person shall not be relieved from the provisions of this section by reason of associating temporarily with any local dealer, trader, merchant or auctioneer or, by reason of conducting such business in connection with or as a part of any local business or in the name of any local dealer, trader, merchant or auctioneer.

(i) "Number of employees" means the number of persons employed in the business as anticipated, or the number of employees including owner(s) at time of renewal.

(j) "Parade vendor" means any person, or employee, who engages in the business of selling or offering for sale and immediate delivery any goods, merchandise, thing or wares in the possession of the vendor, at or along the route of any parade or procession operating pursuant to a permit from the City Council.

(k) "Person" means all domestic and foreign corporations, limited liability company, firms, associations, syndicates, joint stock corporations, partnerships of every kind, clubs or common law trusts, societies and individuals engaged in any business in the city other than as an employee.

(l) "Public market" means any business location where:

(1) A public market operator rents space to public market vendors and such space is not open to members of the general public more than three days in any seven-day period starting on Sunday except in the month of December, when no time restrictions shall apply; and

(2) Any new, used, or antique goods, clothing or other personal property or food items are offered or displayed for sale or exchange, and either:

(A) A fee is charged to the public market vendors for the privilege of offering or displaying such goods for sale or exchange to members of the general public admitted to the event or location, and/or

(B) A fee is charged to prospective buyers or where a membership or other card is required for admission to the event or location where such goods are offered or displayed for sale or exchange by public market vendors to members of the general public admitted to the event or location.

(m) "Public market operator" means any individual, partnership, corporation, business association, or other person or entity that sponsors, controls, manages, operates, or otherwise conducts a public market.

(n) "Public market vendor" means any individual, partnership, corporation, business association, or other person or entity that sells, exchanges, displays, or offers for sale or exchange any new, used, or antique goods, clothing, personal property or food items, or services at a public market. (Ord. 1923 § 2, 4-8-14).

3.40.050 Imposition of tax.

The City does hereby tax, as provided in this chapter, each and every kind of business transacted, conducted, exhibited or carried on in the city, at the rates named and prescribed in this chapter. If more than one business shares a business location, each business is required to apply and pay the prescribed tax. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.104).

3.40.060 Business tax certificate required.

It shall be unlawful for any person to transact or carry on any business in the city without first having paid the business tax to the City and having obtained a valid business tax certificate or renewal, in compliance with all applicable provisions of the City Code. (Ord. 1923 § 3, 4-8-14).

3.40.061 Business tax certificate application.

(a) Any person applying for a tax certificate shall make application upon a form provided by the Director, which form shall provide such information as may be required to show compliance with all City, State and Federal laws, and as may be necessary to determine ownership, the nature of the business, occupancy requirements, location, and the classification and amount of tax due.

(b) All applicants shall pay a tax computed on the number of employees or the fixed amount as provided in this chapter upon submitting the application.

(c) When necessary, the Director or designee shall refer an application or a notice of changed or new addresses to the appropriate City officers or staff for determination as to whether the proposed business activity and the premises in which it is to be conducted comply with applicable laws and ordinances. In the event it is determined that the proposed activity may not be maintained in compliance with the law, the Director or designee shall so inform the applicant and no new or renewed tax certificate may issue.

(d) Failure of the City to approve, deny, or act upon the application within one hundred eighty (180) days shall be deemed a denial of the application. (Ord. 1923 § 4, 4-8-14).

3.40.062 Appeal process.

An appeal from denial of issuance of a business tax certificate may be made under the procedures set forth in Chapter [2.115](#) SCCC. (Ord. 1923 § 5, 4-8-14; Ord. 2007 § 3, 11-19-19).

3.40.070 Business location.

Business tax fees are based on the actual physical location of the business within the jurisdictional limits of the City of Santa Clara. A mail stop, post office box or other such mail address is not considered a valid business location for the purpose of fire and safety inspection. All business not physically located within the jurisdictional limits of the City of Santa Clara are considered out-of-town and must pay taxes as established for out-of-town businesses regardless of whether they have a mailing address in the City of Santa Clara. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.106).

3.40.080 Branch establishments.

A separate business certificate must be obtained for each branch establishment or location of the business. When any person conducts, at one location, businesses classified separately by this chapter, such person shall pay the higher of the taxes. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.107).

3.40.090 Notice not required by City.

The Director of Finance is not required to send a renewal, delinquency or other notice or bill to any person subject to the provisions of this chapter and failure to send notice or bill shall not affect the validity of any tax or penalty due. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.108).

3.40.100 When annual tax due and payable.

The annual business tax imposed under the provision of this chapter shall be due and payable at the time of commencement of business activity or upon occupying space in the business community and such certificate shall expire twelve (12) months after the date of application. The tax for the renewal of such certificate shall be due and payable upon expiration of the prior certificate. No tax paid herein shall be refundable. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.109).

3.40.110 Penalty for delinquent or nonpayment.

The penalty for noncompliance shall be:

- (a) Any person who fails to apply for a tax certificate and fails to pay the tax as determined on or within thirty (30) days after opening, engaging in business, or occupying space in the business community, shall be subject to a penalty of one hundred percent (100%) of the tax due.
- (b) Every annual tax which is not received and paid within a period of thirty (30) days after the tax became due is hereby declared to be delinquent, and a penalty of one hundred percent (100%) of the tax will be added to the tax due.
- (c) Whenever a check is submitted in payment of a business tax and said check is subsequently returned unpaid by the bank upon which said check is drawn for any reason, the taxpayer shall be

liable to pay a nonsufficient funds charge, the correct tax amount due, and a penalty.

(d) If any person fails to pay the annual renewal tax within ninety (90) days after the tax becomes due, his or her business tax certificate is considered revoked. The City is not required to send a notice of revocation for the revocation to be valid. Following revocation, the person must reapply for a new business tax certificate, pursuant to SCCC [3.40.061](#), and pay all associated penalties. Failure to reapply for a new business tax certificate shall constitute a violation, pursuant to SCCC [3.40.270](#). (Ord. 1721 § 2, 10-27-98; Ord. 1923 §§ 6, 7, 4-8-14. Formerly § 15-1.110).

3.40.120 Exemptions from tax.

No tax prescribed in this chapter shall be deemed or construed to apply to any of the following persons who are exempt from payment thereof upon submission of proof of exemption:

(a) Charitable and Nonprofit Organizations. Any church, school, charitable, benevolent or social organizations having exempt status under Federal tax law.

(b) Conflict With Federal and State Law. Any person conducting any business exempt by virtue of the Constitution, or applicable statutes of the United States or of the State of California from the payment to municipal corporations of such taxes as are herein prescribed.

(c) Disabled Veterans. Disabled veterans exemption pursuant to the requirements of Section [16001](#) or [16001.5](#) of the California Business and Professions Code.

(d) Employees. No person who is an employee shall be required to pay a tax for doing any part of the work of such business for which a tax certificate has been issued.

(e) Interstate Commerce. Every peddler, solicitor or other person claiming to be entitled to exemption from the payment of any tax provided for in this chapter upon the ground that such tax casts a burden upon his/her right to engage in commerce with foreign nations or among the several states or conflicts with the regulations of the United States Congress respecting interstate commerce, shall file an affidavit or a declaration under penalty of perjury with the Director of Finance describing the interstate or other character of his/her business which entitled him to such exemption.

(f) Nothing in this chapter shall be deemed or construed to apply to any person transacting and carrying on any business exempt by virtue of the Constitution or applicable statutes of the United States or the State of California for payment of such taxes as are herein prescribed. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.111).

3.40.130 Reserved.

(Ord. 1923 § 8, 4-8-14).

3.40.140 Business tax constitutes debt to City – Collection of unpaid taxes.

The amount of any tax imposed by this chapter shall be deemed a debt to the City. Any person carrying on any business covered in this chapter without having lawfully paid a tax to the City to do so shall be liable to a civil action in the name of the City in any court of competent jurisdiction for the amount of the required tax, penalties, and court costs. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.113).

3.40.150 Transferability – Changes to affidavit.

A certificate issued pursuant to this chapter shall not be transferable. When a certificate has been issued authorizing a specifically named person to transact and carry on a specific type of business at a specific location, the business shall, upon application in writing, and the payment of the prescribed fee, have such certificate records amended to include any change of name, type of business, or address. Any business for which such a change must be made shall pay a fee as fixed by resolution of the City Council for the handling and processing of such change. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.114).

3.40.160 Issuance of business tax certificate.

All certificates issued under the provisions of this chapter shall be issued by the Director of Finance or authorized employees and shall state the name of the business, the location of the business, the mailing address, the type of business being conducted at the listed location, the amount of the tax paid, the expiration date of the certificate and additional information that may be required. A business tax certificate will be issued upon the determination by the Director and any other necessary City departments that the business tax has been paid and that the business tax certificate affidavit information is accurate, that the business applicant is operating legally pursuant to all applicable Federal, State and local laws, and there are no business operations that endanger the public. (Ord. 1923 § 9, 4-8-14).

3.40.170 Duplicate tax certificate.

A duplicate business tax certificate may be issued by the Director of Finance to replace a previously issued certificate that has been lost or destroyed upon the owner filing a written request attesting to such fact, and paying a fee as fixed by the resolution of City Council for handling and processing of such request. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.116).

3.40.180 Business tax certificate record.

The Director of Finance shall maintain a “public business tax certificate record,” which shall contain the name of the business, the location of the business, the type of business and the time period for which the certificate is issued. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.117).

3.40.190 Confidential documents.

Except as provided for under Section 6254 of the Public Records Act, the affidavit, statements and any other documents required by this chapter to be filed, shall be deemed confidential in character and shall not be subject to public inspection, and shall be kept so that the contents thereof, shall not become known except to:

- (a) The persons charged with administration of this chapter;
- (b) City employees for the sole purpose of administering or enforcing any provisions of this article;
- (c) Federal or State officials, or to a grand jury or court of law, upon subpoena. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.118).

3.40.200 Display of certificate.

Every person to whom a certificate is issued, shall keep the same conspicuously posted in or about the place where the business is located or conducted. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.119).

3.40.210 Administrative rules and regulations.

The Director of Finance may make rules and regulations not inconsistent with the provisions of this Code for the purpose of administering the provisions of this chapter. The Director of Finance shall further have the power to compromise any claims as to the amount of any tax due and paid. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.120).

3.40.220 Affidavit to be submitted where business tax based on number of employees – Information required.

Upon making application for the first certificate to be issued under this chapter where the amount of the tax is measured by the number of employees, the applicant shall furnish to the Director of Finance, for guidance in ascertaining the amount of such tax, a signed affidavit under penalty of perjury, upon a form provided by the Director of Finance, setting forth such information as may be necessary to determine the amount of the tax. The amount of the tax is determined by the number of persons engaged in the business at the time of application. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.121).

3.40.230 Renewal generally – Affidavit and information required.

In all cases, the applicant for renewal of a certificate shall submit to the Director of Finance, for guidance in ascertaining the amount of the tax to be paid by the applicant, a written affidavit under penalty of perjury upon a form provided by the Director of Finance, setting forth such information concerning the applicant's business as may be required by the Director of Finance to ascertain the amount of tax to be paid by such applicant pursuant to the provision of this chapter. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.122).

3.40.240 Statements not conclusive.

No statement set forth in any affidavit required by this chapter shall be conclusive as to the matters set forth therein, nor shall the filing of the same preclude the City from collecting by appropriate action such sum as is actually due and payable under this chapter. Such affidavit and each of the several items therein contained shall be subject to review and verification by the Director of Finance, or authorized employees of the City. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.123).

3.40.250 Extensions of time for filing sworn declarations.

The Director of Finance shall have the power, for good cause shown, to extend the time for filing any sworn statement required under this chapter and in such case to waive any penalty that would otherwise have accrued. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.124).

3.40.260 Director of Finance duties.

The Director of Finance shall make diligent effort to discover all persons conducting any business in the city for which a certificate is required by the provisions of this chapter. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.125).

3.40.270 Violations.

The issuance of a certificate under this chapter shall not entitle the person(s) to engage in any business which for any reason is in violation of any law or provision of this Code.

(a) Separate Violation. The conducting of business in the city or occupying space in the business community, without first having procured a business tax certificate from the City to do so, or without complying with any and all regulations of such business contained in this chapter shall be a separate violation hereof for each and every day that such business is so carried on.

(b) Violations. Pursuant to SCCC [1.05.070](#), the City, in its prosecutorial discretion, may enforce violation(s) of the provisions of this chapter as a criminal, civil, and/or administrative action. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.126).

3.40.280 City Attorney's duties.

The Director of Finance may at any time request the City Attorney to bring a civil suit in the name of the City for the recovery of any tax from any person who conducts a business without procuring the certificate required by this chapter, or not paying the prescribed tax, and the recovery of such tax and penalties due thereon. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.127).

3.40.290 Enforcement.

The Director of Finance is hereby directed to enforce each and all of the provisions of this chapter, and the Chief of Police shall render such assistance in the enforcement hereof as may from time to

time be required by the Director of Finance. The Director of Finance, in the exercise of the duties imposed hereunder, and acting through deputies or duly authorized assistants, shall examine or cause to be examined all places of business in the city to ascertain whether the provisions of this chapter have been complied with.

The Director of Finance, all duly authorized assistants and any police officers shall have the following powers:

(a) To enter free of charge, and at any reasonable time during business hours, any place of business required to be certified herein, and demand an exhibition of its certificate. Any person to whom a certificate is issued shall exhibit the same on demand.

(b) To issue citations for any violations of this chapter. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.128).

3.40.300 Effect of annexation.

All existing businesses brought under the jurisdiction of the City by annexation procedures shall conform to the provisions of this chapter within thirty (30) days of the effective date of such annexation. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.129).

3.40.310 General schedule for person having fixed place of business within City.

Every person having a fixed place of business within the city and who engages in any business not listed in SCCC [3.40.330](#) shall pay a tax based on the number of employees as defined and set forth in this chapter, according to the following rate schedules:

SCHEDULE NO. 100 –
COMMERCIAL EMPLOYEE(S)

1	\$ 15.00
2 – 5	30.00
6 – 10	70.00
11 – 15	90.00
16 – 20	115.00
21 – 25	175.00
26 – 30	225.00
31 – 40	280.00
41 – 55	330.00

SCHEDULE NO. 100 –
COMMERCIAL EMPLOYEE(S)

56 – 75	380.00
76 – 100	460.00
101+	500.00

SCHEDULE NO. 200 –
PROFESSIONAL EMPLOYEE(S)

1	\$ 15.00
2 – 3	30.00
4 – 6	70.00
7 – 10	90.00
11 – 20	115.00
21 – 25	175.00
26 – 35	225.00
36 – 40	280.00
41 – 45	330.00
46 – 50	380.00
51 – 55	460.00
56+	500.00

SCHEDULE NO. 300 –
MANUFACTURING EMPLOYEE(S)

1 – 3	\$ 15.00
4 – 20	45.00
21 – 30	65.00
31 – 50	100.00
51 – 75	135.00
76 – 100	175.00
101 – 125	225.00
126 – 175	280.00

SCHEDULE NO. 300 –
MANUFACTURING EMPLOYEE(S)

176 – 225	330.00
226 – 300	380.00
301 – 400	460.00
401+	500.00

(Ord. 1721 § 2, 10-27-98. Formerly § 15-1.130).

3.40.320 Application of fees schedule in SCCC 3.40.310 to certain business within City.

Unless such business is otherwise specifically taxed by other provisions of this chapter, every business in the city shall pay a tax according to the following classification and rate schedule:

(a) Commercial. Any person engaged in the business of offering for sale or selling to the public at wholesale or retail any materials, commodities, goods, wares or merchandise shall pay a tax according to Schedule 100; or

(b) Professional and Semiprofessional Services. Any person engaged in the business of offering professional or semiprofessional services, as that term is ordinarily and commonly used and understood, and shall include those professions requiring governmental certification or a professional degree, but not limited to the practice or profession of: accounting, administrative support, advertising, analyst, appraiser, architectural services, auditing, chiropractic, consultant (all fields), dentistry, drafting, education, engineering (all fields), finance, law, medicine, mortician, optometry, physical therapist, property management, real estate (broker and agent), research and development, taxidermist, technical support, veterinary and writers shall pay a tax according to Schedule 200; or

(c) Manufacturing. Any person engaged in the business of making any article, device, good, or item from raw material, to be sold for wholesale shall pay a business tax according to Schedule 300; or

(d) Any person engaged in any other business and businesses herein not defined, including but not limited to those identified as home occupations by Chapter [18.100](#) SCCC, shall pay a tax according to Schedule No. 100. (Ord. 1721 § 2, 10-27-98; Ord. 1923 § 10, 4-8-14. Formerly § 15-1.131).

3.40.330 Business subject to fixed tax.

Any person carrying on or rendering any service as described in this section shall pay a tax in accordance with the following schedule, and shall be exempt from the tax set forth in SCCC [3.40.310](#):

Ambulance service plus \$15.00 per ambulance used in such service	\$ 45.00
Carnival, per day	150.00
Carnival concession, ride, sideshow, per each, per day	15.00
Christmas tree sales (as defined in SCCC 5.15.030)	150.00
Circus, per day	150.00
Circus concession, ride, sideshow, per each, per day	15.00
Detective agency	150.00
Entertainment permit Class I	
First year	263.00
Annual renewal	210.00
Entertainment permit Class II	
First year	90.00
Annual renewal	75.00
Entertainment permit Class III	
First year	413.00
Annual renewal	360.00
Escort service (personal)	150.00
Escort service (funeral)	150.00
Fortuneteller, (as defined in SCCC 5.45.010)	15.00
Intracity bus service and public transportation	150.00
Itinerant merchant (maximum 190 days)	225.00
Parade vendor (per parade)	15.00
Pawnbroker (as defined in SCCC 5.30.020)	150.00

Peddler (as defined in SCCC 5.05.010)	113.00
Promotional show, per day	150.00
Promotional show concession, ride, or sideshow, per each, per day	15.00
Pumpkin sales lots (as defined in SCCC 5.15.030)	150.00
Seasonal item sales lot (as defined in SCCC 5.15.030)	150.00
Secondhand dealer (as defined in SCCC 5.30.020)	150.00
Solicitor (as defined in SCCC 5.05.010)	113.00
State-licensed contractors	45.00
Taxicab, per vehicle	15.00
Taxicab stand	90.00

(Ord. 1721 § 2, 10-27-98. Formerly § 15-1.132).

3.40.340 Business without a fixed place of business in city.

Unless such business is otherwise specifically taxed by other provisions of this chapter, every person who does not have a fixed place of business in the city, but who is engaged in a business within the city, shall pay a tax of forty-five dollars (\$45.00) a year, payable in advance. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.133).

3.40.350 Rental units.

(a) Every person engaged in the business of renting rooms, apartments, single-family houses, or other accommodations for dwelling, sleeping or lodging purposes, in the city shall pay the following tax:

(1) Three dollars (\$3.00) per annum for each rental unit;

(2) Provided, however, that no tax shall be payable under this section, unless the person engaged in such business operates three or more rental units in the city.

(b) As used in this section, unit means a room or suite of two or more rooms (including, but not limited to single-family houses) designed for or used as separate accommodations for dwelling, sleeping or

lodging purposes by a person living alone or two or more persons living together. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.134).

3.40.360 Rental unit – Surcharge.

(a) It is contemplated that the City Council will from time to time adjust the amount of the surcharge fee by resolution to cover the changing cost of the mediation services involved with these businesses and to insure that the surcharge fee amount prorated to the rental units shall not exceed the cost of the program services made available.

(b) Any and all fees collected pursuant to this section are dedicated to and shall be used exclusively to pay the costs of the above services rendered in response to needs generated by the subject type of rental businesses.

(c) Those businesses covered under Chapter [3.25](#) SCCC, and paying the business tax under SCCC [3.40.310](#), Schedule No. 100, are exempt from paying the rental unit surcharge. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.135).

3.40.370 Vehicles used for commercial purposes.

Every person not having a fixed place of business within the city, who engages in any business in the city by means of a regular and established route or delivery system shall pay a tax of twenty-three (\$23.00) per vehicle, per year. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.136).

3.40.380 Public markets.

(a) Each public market operator shall pay a tax and obtain a tax certificate from the Director of Finance. Without any reduction for any payment for a tax due or collected from any public market vendor, every public market operator also shall obtain a master certificate in lieu of an individual revenue certificate for each public market vendor who operates a business concession on the premises of a public market. Each public market operator shall collect a tax from each of its public market vendors and each public market vendor shall pay such tax to the respective public market operator in the amount of seventy-five cents (\$0.75) per space for each space rented to each public market vendor for each day the public market is open to members of the public for business. This tax, measured by such space rentals, shall be paid to the Director of Finance by the public market operator on a monthly basis, notwithstanding any other provisions of this chapter, and in addition to any other tax that each public market vendor may have paid at any other location in the city.

(b) Except as provided in subsection (a) of this section, every person who engages in any business, whether upon a cost, rental, commission basis, or other form of compensation as a concession, or upon rented floor space in or upon the premises of any person covered under any provision of this

section, shall be required to pay a tax and obtain a separate and independent tax certificate pursuant to the appropriate provisions of this chapter and shall be subject to all provisions of this chapter.

(c) The tax payable by any public market vendor to any public market operator shall be paid by the public market operator to the City by the fifteenth (15th) day of the calendar month following the month during which the tax occurred, notwithstanding any other provisions of this section. Any such tax not paid as set forth above shall be delinquent and a penalty of one hundred percent (100%) will be added to the tax and charged to the public market operator responsible for payment.

(d) If the public market operator is an entity or organization that is otherwise exempted from the payment of the tax under this chapter, such public market operator shall be required, notwithstanding any other provisions of this chapter, to collect the tax from each public market vendor to whom the public market operator rents space and is obligated to pay the tax as set forth above. Each public market operator may collect tax from the public market vendors but failure to do so shall not relieve the public market operator of any obligations for payment.

(e) At the City's request, each public market operator shall provide written lists of all public market vendors who operated a business concession and the dates, the number of spaces and the number of days each public market vendor rented space at its public market.

(f) No public market vendor tax shall be paid by or collected from any public market vendor for participating in any display, fair, or other event held on or in City-leased or City-owned facilities. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.137).

3.40.390 Vending operator – Persons exempt.

Any person engaged in the business of a vending operator shall pay a tax of seventy-nine dollars (\$79.00) per year.

The provisions of this section shall not apply to any newspaper publishing business which makes use of such machines in the distribution of newspapers. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.138).

3.40.400 Automatic amusement games, devices or coin-operated machines.

Any person who owns, keeps or maintains, or allows to be kept or maintained, in any building or place in the city owned, leased, managed or controlled by such person, any automatic amusement game for the purpose of permitting the same to be played or operated shall pay the following tax:

(a) Automatic amusement games including, but not limited to pinball machines, video display games, electronic amusement devices, and peep show devices, per machine, per year	\$60.00
(b) Juke boxes, per machine, per year	\$30.00
(c) Billiard and pool tables	\$ 8.00
Maximum	\$80.00
(d) Bowling or tenpin lanes (non-coin-operated), per lane, per year	\$ 8.00
Maximum	\$80.00

Nothing in this chapter shall be construed to permit the operation, keeping, maintaining or use of any gambling device or any apparatus or device, the use, possession, operation or control of which is prohibited by the laws of the State. (Ord. 1721 § 2, 10-27-98; Ord. 1923 § 11, 4-8-14. Formerly § 15-1.139).

3.40.410 Shooting galleries, golf ranges and similar type businesses.

Every person engaged in the business of operating a shooting gallery, trampoline, skating rink, miniature golf range, pitch and putt course, golf driving range, baseball batting range, or any similar place of business shall pay an annual tax according to rate Schedule 200 of SCCC [3.40.310](#). (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.140).

3.40.420 Theaters.

Every person engaged in the business of operating a live or motion picture theater shall pay a tax based on the following rate schedule:

(a) Theaters having zero to five hundred (500) seats shall pay, per year	\$23.00
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(b) Theaters having five hundred one (501) to one thousand (1,000) seats shall pay, per year	\$30.00
(c) Theaters having one thousand one (1,001) or more seats shall pay, per year	\$45.00

(Ord. 1721 § 2, 10-27-98. Formerly § 15-1.141).

3.40.430 Entertainment definitions.

The words and terms used for issuance of an entertainment tax certificate shall have the following meanings unless the context clearly indicates otherwise:

(a) "Class I entertainment" means any act, play, review, pantomime, scene, song, dance act, song and dance act, poetry recitation, fashion or style show conducted or participated in by any professional entertainer in or upon any premises to which the public is admitted.

(b) "Class II entertainment" means any act, play, review, pantomime, scene, song, dance act, song and dance act, poetry recitation, fashion or style show conducted or participated in by a nonprofessional person or persons in or upon any premises to which the public is admitted.

(c) "Class III entertainment" means the act of any person while visible to any customer, in any public place, unclothed or in such attire, costume or clothing as to expose to any person any portion of the body having a different pigmentation than the remainder of the body or any part of the pubic region or the anal region or crease of the buttocks of any such person.

(d) "Entertainment" does not mean or include:

(1) Mechanical music alone; or

(2) Dancing participated in only by customers; however, this subsection does not exempt exhibition dancing by a person or persons receiving compensation for such exhibition dancing.

(e) "Professional entertainer" means a person or persons who engages for livelihood or gain in the presentation of entertainment. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.142).

3.40.440 Entertainment tax certificate.

(a) No person shall conduct, permit or assist in conducting or permitting any entertainment as defined in [SCCC 3.40.430\(a\)](#), to be shown, staged, exhibited or produced in any premises to which the public

is admitted as, or as part of, a business unless and until a Class I entertainment tax certificate has been obtained from the Director of Finance.

(b) No person shall conduct, permit or assist in conducting or permitting any entertainment as defined in SCCC [3.40.430\(b\)](#), to be shown, staged, exhibited or produced in or upon any premises to which the public is admitted as, or as a part of, a business unless and until a Class II entertainment tax certificate has been obtained from the Director of Finance.

(c) No person shall conduct, permit or assist in conducting or permitting any entertainment as defined in SCCC [3.40.430\(c\)](#), to be shown, staged, exhibited or produced in or upon any premises to which the public is admitted as, or as a part of, a business unless and until a Class III entertainment tax certificate has been obtained from the Director of Finance. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.143).

3.40.450 Class I entertainment tax.

(a) The first year Class I entertainment tax shall be two hundred and sixty-three dollars (\$263.00).

(b) The annual renewal tax for Class I entertainment shall be two hundred and ten dollars (\$210.00).

(c) Where the applicant has a valid business tax certificate pursuant to SCCC [3.40.310](#) for the same location covering the same period of time, the amount of business tax paid shall be deducted from the first year Class I entertainment tax of two hundred and sixty-three dollars (\$263.00) due. If the Class I entertainment tax is not paid within thirty (30) days of notification, the amount due shall be subject to a penalty of one hundred percent (100%). (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.144).

3.40.460 Class II entertainment tax.

(a) The first year Class II entertainment tax shall be ninety dollars (\$90.00).

(b) The annual renewal tax for Class II entertainment shall be seventy-five dollars (\$75.00).

(c) Where the applicant has a valid business tax certificate pursuant to SCCC [3.40.310](#) for the same location covering the same period of time, the amount of business tax paid shall be deducted from the first year Class II entertainment of ninety dollars (\$90.00) due. If the Class II entertainment tax is not paid within thirty (30) days of notification, the amount due shall be subject to a penalty of one hundred percent (100%). (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.145).

3.40.470 Class III entertainment tax.

(a) The first year Class III entertainment tax shall be four hundred and thirteen dollars (\$413.00).

(b) The annual renewal tax for Class III entertainment shall be three hundred and sixty dollars (\$360.00). (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.146).

3.40.480 Procedure.

No Class III entertainment certificate shall be obtained from or issued by the Director of Finance unless and until approval from the City Council has been issued in accordance with Chapter [5.60](#) SCCC. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.147).

3.40.490 Transferability.

An entertainment certificate issued pursuant to this chapter shall not be transferable from person to person or location to location. (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.148).

3.40.500 Handbill distribution.

The business tax imposed for handbill distribution by a business without a fixed location in the city is set forth in SCCC [3.40.340](#). Where handbill distribution is by the owner of the business advertised with a fixed location in the city, the business tax is set forth in SCCC [3.40.310](#) or [3.40.330](#). If the business holds an active business tax certificate and requests to distribute handbills, a change in the type of business shall be made according to SCCC [3.40.150](#). (Ord. 1721 § 2, 10-27-98. Formerly § 15-1.149).

The Santa Clara City Code is current through Ordinance 2056, and legislation passed through November 15, 2022.

Disclaimer: The City Clerk's Office has the official version of the Santa Clara City Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

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