

**CITY OF LOS ANGELES
OFFICE OF FINANCE
TAX AND PERMIT DIVISION
CITY CLERK'S RULING NO. 13 (NEW SERIES):
PERSONS SELLING GOODS, WARES AND MERCHANDISE IN LOS
ANGELES, WITH NO FIXED PLACE OF BUSINESS IN LOS ANGELES**

Reference: Section 21.00(i) Los Angeles Municipal Code "Engaged in Business" Sections 21.166, 21.167 Los Angeles Municipal Code. In administering and collecting the business tax imposed under the provisions of Sections 21.166 and 21.167 Los Angeles Municipal Code, the Office of Finance shall apply the following rule with respect to those persons who do not have a fixed place of business within the City of Los Angeles. A Person who does not own, lease, occupy or otherwise maintain within the City of Los Angeles a place or premises upon which or from which he engages in business, shall nevertheless be deemed to be engaged in business within the City of Los Angeles when, through the physical presence of himself, his employees, his agents, or his equipment, he carries on activities within the City of Los Angeles which are designed to solicit, promote, stimulate, or otherwise encourage the sale of goods, ware, or merchandise. The measure of tax for such person shall be:

(a) **35%** of those gross receipts from all sales to customers located within the City of Los Angeles, where delivery or shipment is made to points within the City by vehicles operated by the taxpayer.

(b) **30%** of those gross receipts from all sales to customers located within the City of Los Angeles where delivery or shipment is made to points within the City by means other than vehicles operated by the taxpayer regardless of the f.o.b. point or other conditions of sale.

(c) **30%** of those gross receipts from all sales to customers located within the City of Los Angeles where delivery or shipment is made to points outside the City. Any person who believes that the percentage specified in the appropriate foregoing paragraph (a), (b) or (c) is greater than the facts justify, may apply to the Office of Finance for a modification of the percentage. Such application shall be made in writing to the Office of Finance and shall be accompanied by a statement of facts supporting the basis for such modification. The Office of Finance shall make his determination on the basis of evidence presented to him, and such other evidence as he may have, may request from the taxpayer, or may discover from other sources.

The Office of Finance shall increase, reduce, or allow to stand the percentage originally determined, depending on the facts. Should the Office of Finance be of the opinion that the percentage specified in the appropriate foregoing paragraph (a), (b) or (c) is less than the facts justify in any particular case, he shall make such investigation as is necessary to ascertain the facts and revise the percentage, if required. Any variation from the percentages provided for under this ruling shall be approved in writing by either the Chief or Assistant Chief of the Tax and Permit Division.

I, Rex E. Layton, CITY CLERK of the City of Los Angeles, pursuant to authority granted me in Section 21.15(h) of the Los Angeles Municipal Code, do hereby adopt and

promulgate the foregoing rule and regulation pertaining to the collection of the Los Angeles Business Tax and the enforcement of the provisions of Article 1, Chapter 2 of the Los Angeles Municipal Code. I further declare that this ruling supersedes and replaces Office of Finance's Ruling No. 13 (New Series) as restated and adopted on April 5, 1960.

s/Rex E. Layton

REX E. LAYTON, CITY CLERK

APPROVED:

ROGER ARNEBERGH, CITY ATTORNEY

By s/Thomas C. Bonaventura

Assistant City Attorney

Date June 30, 1972