

Office of Finance Los Angeles Business Tax Enforcement Program

Under recent state legislation the City of Los Angeles now has access to certain tax information provided on your State income tax return. This information will be used to help identify businesses that may owe City business taxes. Increased business tax collection resulting from this enforcement program will fund future business tax reform and housing.

To increase business tax compliance, the City of Los Angeles has initiated an enforcement program utilizing this information from the Franchise Tax Board to identify businesses that may not be reporting and paying their annual business taxes. Businesses that engage in business in the City must have a valid City of Los Angeles Tax Registration Certificate and pay applicable business taxes. This includes self-employed independent contractors and home-based businesses. If you are not properly registered with the City, owe business taxes or need additional information, we encourage you to call 844-663-4411 or visit one of the local offices listed below. For more information visit our website at <u>www.lacity.org/finance</u>.

Businesses that promptly register and pay their applicable business tax may benefit from tax exemptions, and minimize interest and penalties due to late registration. Increased compliance with the City's business tax laws will allow us to further reform our business tax system for the benefit of the thousands of entrepreneurs who make the Los Angeles business community so vibrant.

Increased enforcement of the City tax code will include the following compliance programs:

- Data matching with Franchise Tax Board records.
- Expanded on-site investigations.
- Referral to a collection agency that reports unpaid taxes to credit bureau.
- Increased audit program.
- Whistleblower program provides rewards for information resulting in the recovery of business taxes.

L.A. BUSINESS TAX ENFORCEMENT PROGRAM (844) 663-4411 <u>www.lacity.org/finance</u>

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