

ATTACHMENT 1 – BUSINESS LICENSE CODE ALTERNATIVES

EXISTING CODE

5.04.260 TAXES - CONTRACTORS' FEES.

A. Any person licensed by any government agency or authority as a contractor in any field whatsoever, including, but not limited to, general, electrical, plumbing, cement, paint, plaster, etc. performing work which requires the issuance of a building permit will no longer be required to maintain an annual business license. Instead, all contractors shall pay a fee based on the contract valuation of each building permit, the fee at the rate of 0.04% is to be applied and collected with the issuance of each building permit.

B. However, contractors, businesses, or individuals providing construction, maintenance or other goods or services which does not require a building permit will be required to purchase a business license using the standard gross receipts formula under § 5.04.230.

RECOMMENDED CODE AMENDMENT Alternative A

5.04.260 TAXES - CONTRACTORS' FEES.

A. Any person licensed by any government agency or authority as a contractor in any field whatsoever, including, but not limited to, general, electrical, plumbing, cement, roofing, paint, plaster, etc. performing work which is included a valid building permit will pay their business licenses tax based on the contract valuation of each building permit, the tax at the rate of 0.04% will be collected with the submittal of each building permit. In addition, they will be required to maintain an annual business license but will only pay the basic business licenses fee and will not pay any business license tax as part of their business licenses.

B. However, contractors, businesses, or individuals providing construction, maintenance or other goods or services which 1) do not require building permits and or; 2) obtain “over-the-counter” building permits which total more than \$50,000 valuation per year are thereby exempt from the collection of the business license tax through the building permit process (such as roofers and painters). Such contractors, businesses and individuals will be required to obtain a business license using the standard gross receipts formula under § 5.04.230.

RECOMMENDED CODE AMENDMENT Alternative B

5.04.260 TAXES - CONTRACTORS' FEES.

A. Any person licensed by any government agency or authority as a contractor in any field whatsoever, including, but not limited to, general, electrical, plumbing, cement, paint, plaster, roofing etc. performing work which requires the issuance of a building permit are required to maintain an annual business license. Building Permits may only be issued to Contractors who hold a valid business license. using the standard gross receipts formula under § 5.04.230. Business license taxes will not be collected via the Building Permit process.