



PROFESSIONAL'S BUSINESS TAX

EVERY INDIVIDUAL engaging in a profession in the city of Fresno in any capacity must be covered by either a group tax return or by an individual tax return, unless exempted by law.

Fresno Municipal Code provisions require each person engaged in a profession in the City of Fresno to obtain a business tax certificate and pay a professional's business tax to the city. This includes employee professionals of firms. However, an exemption of this individual requirement applies to professionals of a firm if the firm elects to pay a gross receipts business tax under code section 7-1208 (b), as explained on the reversed side. Other exemptions may apply.

Because every professional of a firm has an individual obligation to pay a business tax, payment options are available. Each individual professional, whether as a principal or as an employee of a firm, may elect to pay his/her business tax either at the annual or quarterly flat rate, or quarterly based upon reportable gross receipts. Rates are shown below.

A professional firm or an individual professional may choose the alternate payment method which is based upon total gross receipts. Detailed information about this is given on the reverse side. Of note: If an individual professional's "gross receipts" (as explained on the reverse side) will exceed \$104,000.00 annually, the business license fee for that professional would be less by electing instead to pay the flat quarterly rate or the flat annual rate.

Once each year (in July), a request to change from one payment option to another may be submitted. This annual change request may be considered in a different month under certain circumstances (for example: An employee professional leaves a firm and starts his/her own practice).

Carefully read the information on the reverse side regarding the election to pay based on gross receipts. Please retain a copy of this completed form for future reference.

Complete and detach the statement of election for filing with your Tax Certificate Application.

PROFESSIONAL'S STATEMENT OF ELECTION

Complete all applicable items below:

[1] I, _____ *first* engaged in my profession in the City of Fresno _____
Print or Type Name of Professional Month Day Year

... in the following capacity: [] employee of _____
[] Partner, or co-owner of _____
[] Private practice or contractual employment.

[2] At this present time: [] I receive all compensation by means of form(s) W2 (employee status only);
[] I have an individual practice;
[] I am a co-owner or partner [] Other _____

[3] I elect to pay a professional's business tax fee under the provisions of:
[] Section 7-1207 [] \$388.00 Annually or [] \$97.00 Quarterly
[] Section 7-1208 (a) \$19.00 Quarterly, plus 0.3% of gross receipts per quarter.
[] Section 7-1208 (b) (for this option you must be the business' owner)
\$19.00 Quarterly, per professional, plus
0.3% of the firm's total gross receipts per quarter.

Signature _____ Date _____

Mailing Address _____

OPTIONAL FEE: INFORMATION CONCERNING GROSS RECEIPTS

Any professional or professional firm may elect to pay the business tax on a gross receipts basis. If so electing, the professional or firm must report the total gross revenues for the Reporting Period (from all sources not specifically exempted by municipal code provisions or other law):

FOR PRIVATE PRACTICE WITHIN THE CITY OR FOR CONTRACT EMPLOYMENT OR FOR AN AGREEMENT FOR SERVICES ENGAGED IN WITHIN THE CITY:

The professional's total gross receipts from all sources are reportable.

GROUP COVERAGE FOR PROFESSIONAL FIRMS LOCATED IN THE CITY: FMC SECT. 7-1208 (b)

A professional firm (corporation, partnership, or any associated group of professionals) may elect to pay business taxes quarterly on one account to cover all of the firm's professionals as a group. If so electing, the total gross receipts of the firm/group must be reported, and the tax is 0.003 times that figure, plus: \$19.00 for each professional in the firm/group. A maximum tax of \$6,230.00 per fiscal year (July 1 – June 30) is currently in effect for the group coverage.

INDIVIDUAL PROFESSIONALS OF FIRMS:

When the firm does not elect to cover all of its professionals on one Business Tax Certificate (see GROUP COVERAGE above), each individual professional – whether as a principal or as an employee – who does not choose either the quarterly flat rate or the annual flat rate, must report quarterly a prorated share or an equal share of the firm's total gross receipts divided in its entirety among the firm's professionals who have individual tax compliance obligations.

QUARTERLY BASE FEE AND RATE FOR THE GROSS RECEIPTS OPTIONS:

\$ 19.00 per professional , plus: $0.003 \times$ Reportable Gross Revenue.

(BACK OF FORM)