

City of San Jose Historic Business Tax Rates (2018-2019)

Employee Count

Every person engaged in business in the City shall pay a business tax based on employee count¹, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Businesses:	
Employee Count ¹	July 2018- June 2019 ³
Base Tax: 1-2 employees	\$197.90
Incremental Tax: 3-35 ²	\$30.90
Incremental Tax: 36-100 ²	\$41.20
Incremental Tax: 101-500 ²	\$51.50
Incremental Tax: 501+ ²	\$61.80
Cap	\$154,500

¹ "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission or room and board.

² Incremental tax rates are applicable per employee.

³ As prescribed in San Jose Municipal Code Section 4.76.365, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the preceding base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-San José Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap.

Residential Rental Property Units

Every person in the City engaged in the business of renting or leasing any residential real estate shall pay a business tax based on the number of rental units held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Residential Landlords:	
Rental Units	July 2018- June 2019 ²
Base Tax: 1-2 units	\$197.90
Incremental Tax: 3-35 ¹	\$10.30
Incremental Tax: 36-100 ¹	\$15.45
Incremental Tax: 101-500 ¹	\$20.60
Incremental Tax: 501+ ¹	\$25.75
Cap	\$154,500

¹ Incremental tax rates are applicable per unit.

² As prescribed in San Jose Municipal Code Section 4.76.365, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the preceding base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-San José Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap.

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Commercial (Non-Residential) Rental Property Units

Every person in the City engaged in the business of renting or leasing any nonresidential real estate shall pay a business tax based on the square footage of space held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Commercial Landlords	July 2018- June 2019 ²
Base Tax	\$197.90
Flat Incremental Tax: per Square Foot ¹	\$0.02575
Cap	\$154,500

¹ Incremental tax rates are applicable per square foot.

² As prescribed in San Jose Municipal Code Section 4.76.365, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the preceding base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-San José Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap.

Mobile Home Parks Rental Units

Every person in the City engaged in the business of renting or leasing any mobile home parks shall pay a business tax based on the number of lots held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Mobile Home Parks – Rental Lot	July 2018- June 2019 ²
Base Tax: 1-2 lots	\$197.90
Incremental Tax: 3+ lots ¹	\$10.30
Cap	\$154,500

¹ Incremental tax rates are applicable per unit.

² As prescribed in San Jose Municipal Code Section 4.76.450, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the preceding base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-San José Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap.

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Water Meter Connections

Every person in the City engaged in the business of operating any water meter connections shall pay a business tax based on the number connections, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Water Meter Connections	July 2018- June 2019 ²
Base Tax	\$197.90
Flat Incremental Tax: 1+ connections ¹	\$1.03
Cap	\$154,500

¹ Incremental tax rates are applicable per connection.

² As prescribed in San Jose Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-San José Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap.

Out of Town Businesses

Every person engaged in business in the City shall pay a business tax based on employee count¹, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Out of Town Businesses: Employee Count ¹	July 2018- June 2019 ³	90-119 Days	30-89 Days	6-29 Days	5 or Less Days ⁴
	120+ Days				
Base Tax: 1-2 employees	\$197.90	\$98.95	\$74.21	\$49.48	\$0.00
Flat Incremental Tax: 3-35 ²	\$30.90	\$15.45	\$11.59	\$7.73	\$0.00
Flat Incremental Tax: 36-100 ²	\$41.20	\$20.60	\$15.56	\$10.30	\$0.00
Flat Incremental Tax: 101-500 ²	\$51.50	\$25.75	\$19.31	\$12.88	\$0.00
Flat Incremental Tax: 500+ ²	\$61.80	\$30.90	\$23.18	\$15.45	\$0.00
Cap	\$154,500	\$154,500	\$154,500	\$154,500	\$0.00

¹ "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission or room and board.

² Incremental tax rates are applicable per employee.

³ As prescribed in San Jose Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-San José Area) using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap.

⁴ For businesses in San Jose only 5 or less days, there is no fee, but the business is still required to submit registration.