



CITY OF GLENDALE

MONTROSE BUSINESS IMPROVEMENT DISTRICT SPECIAL BUSINESS ASSESSMENT RETURN **2023** GENERAL INSTRUCTIONS

The Montrose Business Improvement District was established by Ordinance No. 3812, later amended by Ordinance No. 4790. Pursuant to GMC 4.40.020, the City may subject all merchants and businesses within the boundaries of the "Montrose Shopping Park Area" to a special business assessment.

On October 26, 2004, the City Council of the City of Glendale adopted Ordinance No. 5431 to amend Ordinance No. 4790 pertaining to additions and modifications of certain provisions relating to the assessments on the businesses located in the Montrose Business Improvement District. Accordingly, the special business assessment for calendar year, ending December 31, would have been due on January 1, 2024, however the payment period has been extended through March 31, 2024 for businesses still having financial difficulty. You now have the option to pay the 2023 assessment in three (3) monthly installments beginning **January 1, 2024**, with the final payment due by **March 31, 2024**. A penalty of twenty-five (25) percent and a monthly interest of half (0.5) percent may be assessed on all accounts with an outstanding balance as of **April 1, 2024**.

Late notices will be sent to the delinquent businesses before the case may be turned over to the City Attorney's office for legal action. By the time a reminder notice has been sent, the late penalty and interest will apply. Any administrative costs and legal fees incurred by the City for additional collection efforts are the responsibility of the delinquent business.

If you have any questions on this return, please feel free to contact the Finance Department at (818) 548-2085.

SPECIFIC INSTRUCTIONS

Year End

The assessment for year 2023 covers the period of January 1, 2023 through December 31, 2023.

Assessment Return Form

In addition to the mailed physical copy of the special business assessment return form, there is a digital version available online.

(glendaleca.gov>Government>Departments>Finance>Revenue>Montrose Business Improvement District)

Exemption Application

For businesses that wish to pursue exemption status, there is an application online. (glendaleca.gov>Government>Departments>Finance>Revenue>Montrose Business Improvement District)

CPI

The minimum and maximum amounts of the special business assessment are adjusted with the Consumer's Price Index on an annual basis. The CPI adjustment for 2023 is a 2.38% increase.

Address

Check the address on the pre-addressed label and make corrections if the business name and/or address are not correct.

State Sales Tax Number

Provide your State Sales Tax Number. If you do not have a State Sales Tax Number, mark the applicable portion of the return as not applicable, or N/A.

Federal Employer Identification Number

Provide your Federal Tax Identification Number. Every business should have a Federal Tax Identification Number. Depending on the business type, it could be your social security number or a separate IRS assigned tax identification number.

New Business

"New business" is defined as a newly established business for a period not exceeding three months from the date business commences in the district. All new businesses are required to pay the minimum special business assessment. The minimum assessment amount is based on the business type. See "Type of Business" and "Minimum Assessment" below.

Final Return

When your business is sold, closed, or moved out of the Montrose Shopping Park Area, you are still required to pay the special business assessment for that portion of the year when your business operated under your ownership. The final return is required to be filed within 30 days after the transfer date or closing of your business.

Independent Contractors

An Independent Contractor relationship exists when the business owner, also known as the payer, has the right to control or direct only the result of the work done by an independent contractor, and not the means and methods of accomplishing the result. Independent Contractors do not receive regular wages, W-2, or W-4 year wage statements. Independent Contractors do not have withholdings from compensation earned and are subject to receiving a 1099 tax reporting form at year end. Businesses that utilize Independent Contractors are subject to a minimum assessment rate of \$250.00 per Independent Contractor used during the reporting period. This is in addition to any other assessments due based upon the type of business below unless the maximum assessment is reached under the highest category applicable.

Type of Business

“Retail Businesses, Service Businesses, Independent Contractors, and Other Businesses with retail sales”: businesses that conduct sale of goods, wares, or merchandise for any purpose other than resale in the regular course of business. At a minimum, this type of business owes a \$250.00 per annum special business assessment for the first \$10,000.00 or less of gross receipts, plus \$2.00 per annum for each additional \$1,000.00. The maximum annual special business assessment for this type of business is \$5,048.00 for year 2023. Such businesses include, but are not limited to, restaurants, salons, gift shops and bookstores.

“Retail-Fabricator Business”: includes those persons, firms, or corporations who fashion raw materials into a change of form for use, or otherwise give to raw or prepared materials new form, quantities, properties, or combination by fashioning, printing, fabricating, or converting materials into a different product which is then sold at retail from a location within the Area. At a minimum, this type of business owes a \$36.00 per annum special business assessment for the first \$10,000.00 or less of gross receipts, plus \$0.75 per annum for each additional \$1,000.00. The maximum annual special business assessment for this type of business is \$3,156.00 for year 2023.

“Theaters”: the special business assessment for this type of business is \$1.10 per seat, per annum. The maximum annual special business assessment for this type of business is \$1,261.00.

“Other businesses”: businesses not included above or that are not subject to the California State Sales Tax Provisions. The special business assessment for these businesses is determined based on the number of employees the businesses have. For businesses that have five or less employees, the special business assessment is \$250.00 per annum; \$756.00 per annum for businesses have six to eight employees; \$2,522.00 per annum for businesses have nine to twelve employees; and \$5,048.00 for businesses have thirteen or more employees. For example, such businesses include, but are not limited to, professionals such as doctors, attorneys, accountants, consultants, and real estate companies.

Gross Receipts

Gross Receipts means the total amount of the sales price on the performance of all services and sales price subject to sales tax for all sales of goods, wares, merchandise, wholesale and retail.

Minimum Assessment

The minimum assessment is a fixed amount of the special business assessment for the first \$10,000.00 of gross receipts. Different types of businesses have different minimum special business assessment amounts. For year 2023, the minimum special business assessment amounts are as follows:

Retail and Service Businesses:	\$250.00
Retail Fabricator Businesses:	\$36.00
Theaters:	\$250.00

New Businesses:	\$250.00
All Other Businesses:	\$250.00 to \$5,048.00 (Based on # of Employees)

These minimum amounts have been incorporated into the return form for your convenience

Maximum Assessment

The maximum assessment is a fixed amount of the special business assessment that the businesses have to pay. For Year 2023, the maximum special business assessment amounts are as follows:

Retail and Service Businesses:	\$5,048.00
Retail Fabricator Businesses:	\$3,156.00
Theaters:	\$1,261.00
New Businesses:	\$ 250.00
All Other Businesses:	\$ 250.00 to \$5,048.00 (Based on # of Employees)

These maximum amounts have been incorporated into the return form for your convenience.

Employees

An employee generally includes any individual who performs services if the relationship between the individual and the person for whom the services are performed is the legal relationship of employer and employee. This includes an individual who receives payment based upon hours worked or salary which includes Federal and State withholdings. A W-4 or W-2 is provided at year end. This also includes the supplemental unemployment pay benefit that is treated as wages. Generally, an officer of a corporation is an employee, but a director acting in this capacity is not. An officer who does not perform any services, or only minor services, and neither receives nor is entitled to receive any pay is not considered an employee.

To determine whether a worker is an independent contractor or an employee, you must examine the relationship between the worker and the business. All evidence of control and independence in this relationship should be considered. The facts that provide this evidence fall into the three categories of Behavioral Control, Financial Control, and the Type of Relationship itself.

Penalty

Any annual Special Business Assessment Return which is not paid by March 31, 2024, the outstanding balance becomes delinquent. A penalty of twenty-five (25) percent may be assessed on the outstanding balance of any account that is delinquent as of April 1, 2024.

Interest

In addition to the penalty, a monthly interest of half (0.5) percent may also be assessed on the outstanding balance of any account that is delinquent as of April 1, 2024.