

## **FTB (Franchise Tax Board) Tax Registration Program FAQs**

**1. What is the FTB Tax Registration program?**

With passage of SB 211, the California Franchise Tax Board (FTB) is authorized to share certain tax records related to the business activities of residents, corporations and other entities within cities. The City can identify unregistered businesses by matching FTB data to existing City business license records.

**2. Why did I receive a notification?**

City records show that you reported to FTB business activity and claiming deductions for a business in Carson and you may be required to obtain a Business License and pay business taxes.

**3. What happens if I do not respond?**

You may be in violation of Carson Municipal Code (CMC) Section 6310. If you do not respond within thirty (30) days of the date on the letter, your account may be forwarded for collection or other appropriate action. If you are found to be in violation, you will be assessed additional penalties of up to 50%. We want to assist you in avoiding such costs.

**4. I do not consider myself to be in business. What does the City of Carson consider to be a business?**

CMC Section 6303.14 defines “business” as a vocation, occupation, profession, enterprise, or establishment used to generate profit or gain to the taxpayer whether a profit is actually earned. To assist in determining your business status, you must provide a copy of the Schedule C - Profit and Loss From Business form filed with the FTB for the tax year(s) in question.

**5. If I receive a Form 1099 from my employer, do I need a Carson Business License?**

Yes, Form 1099-MISC is used to report payments made in the course of a trade or business to another person or business who is not an employee. Persons performing such work are considered Independent Contractor and as such are required to obtain a Carson Business License.

**6. I conduct a business from my home, am I required to obtain a Carson Business License?**

All businesses whether in a commercial or residential building are required to obtain a business license.

**7. I'm involved in part-time consulting. Do I need a Carson Business License?**

Yes, if the consulting work is performed and attributable to a location within Carson, such as your residence, a Carson Business License is required.

**8. If my business is located in Carson but all activities are performed outside of the city limit, do I need a Carson Business License?**

Yes, all businesses located in Carson are required to obtain a Business License. However, if you hold a valid business license from another city you may be eligible for a discount or apportioned fee.

**9. What if I received this notification and I no longer have a business?**

If you previously conducted business in Carson and never registered your business with the City, you are liable for business taxes for the year(s) that you operated a business.

**10. How often do I renew my business license?**

Annually. A business license must be paid within 60 days of its annual renewal date. If payment is not received after approximately 62 days, a 25% penalty is assessed. If payment is not received after approximately 90 days, a 50% penalty is assessed.

**11. What if I have any other questions?**

Call Business License at (310) 952-1748, or via email at [revenue@carson.ca.us](mailto:revenue@carson.ca.us)  
Carson City Hall is open Mondays through Thursdays, 7:00 a.m. to 6 p.m., except Holidays.