

City of San José Historic Business Tax Rates (2021-2022)

Employee Count

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

Businesses: Employee Count¹	July 2021 - June 2022
Base Tax: 1-2 employees	\$206.90
Incremental Tax: 3-35 ²	\$33.21
Incremental Tax: 36-100 ²	\$44.28
Incremental Tax: 101-500 ²	\$55.35
Incremental Tax: 501+ ²	\$66.48
Cap	\$166,311.35

¹ Businesses choose between calculating the number of employees based on full-time equivalent (FTE) or based on the number employers report to the California Employment Development Department (EDD).

² Incremental tax rates are applicable per employee.

³ As prescribed in San José 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-Hayward, CA 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 2021 - June 2022
Base Tax: 1-2 units	\$206.90
Incremental Tax: 3-35 ¹	\$11.07
Incremental Tax: 36-100 ¹	\$16.60
Incremental Tax: 101-500 ¹	\$22.14
Incremental Tax: 501+ ¹	\$27.67
Cap	\$166,311.35

¹ Incremental tax rates are applicable per unit.

² As prescribed in San José 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-Hayward, CA 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 non-residential 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 2021 - June 2022
Base Tax	\$206.90
Flat Incremental Tax: per Square Foot ¹	\$0.0276
Cap	\$166,311.35

¹ Incremental tax rates are applicable per square foot.

² As prescribed in San José 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-Hayward, CA 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 2021 - June 2022
Base Tax: 1-2 lots	\$206.90
Incremental Tax: 3+ lots ¹	\$11.07
Cap	\$166,311.35

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Water Meter Connections

Every person engaged in the business of a public water utility in the City shall pay a business tax based upon the number of active metered connections within the city, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Water Companies	July 2021 - June 2022
Base Tax	\$206.90
Flat Incremental Tax: per connection ¹	\$1.10
Cap	\$166,311.35

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² Incremental tax rates are applicable per connection.

Out of Town Businesses

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

Out of Town Businesses

Out of Businesses:	Effective July 1, 2021 ³				
Employee Count ¹	120+ days	90-119 Days	30-89 days	6-29 days	5 or less days ⁴
Base Tax: 1-2 employees	\$206.90	\$103.45	\$77.58	\$51.72	\$0.00
Incremental Tax: 3-35 ²	\$33.21	\$16.60	\$12.45	\$8.30	\$0.00
Incremental Tax: 36-100 ²	\$44.28	\$22.14	\$16.60	\$11.07	\$0.00
Incremental Tax: 101-500 ²	\$55.35	\$27.67	\$20.75	\$13.83	\$0.00
Incremental Tax: 501+ ²	\$66.48	\$33.23	\$24.92	\$16.61	\$0.00
Cap	\$166,311.35	\$166,311.35	\$166,311.35	\$166,311.35	\$0.00

¹ Businesses choose between calculating the number of employees based on full-time equivalent (FTE) or based on the number employers report to the California Employment Development Department (EDD).

² Incremental tax rates are applicable per employee.

³ As prescribed in San José 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-Hayward, CA 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 José only 5 or less days, there is no fee, but the business is still required to submit registration. They will receive an account number, but a certificate will not be issued. These accounts automatically expire annually.