## Office of Finance City of Los Angeles

## Eligibility Questionnaire for New or Existing Businesses Internet-Based Business Classification(s)

The City Council and the Mayor approved ordinance No. 181127 on March 5, 2010, amending LAMC Section 21.41 to create two new business classifications that provide for the taxation of qualifying Internet-based businesses with an ordinance effective date of May 3, 2010. The Internet-based Business classifications are applicable for tax periods commencing with Tax Year 2010 and extending through the 2014 Tax Year, absent Council action to amend this section and extend the length of time for which the classification shall apply.

The activities of a Motion Picture, Television or Radio Producer as defined in Section 21.109, Telephone Company as defined in Section 21.41(e), Radio & Television Broadcaster as defined in LAMC Section 21.45(a), or an Adult Entertainment Business as defined in Section 12.70 B are not eligible for taxation under this Section.

Section #1:  Does your business activity rely on utilization of the Internet as a point of service delivery contact with your clients or customers?  YesNo					
Does your Internet-based application or Internet-based electronic application provide information to the user directly without any substantial intermediation by any person except for technical support related solely to the use of the Internet-based application or the use of the Internet-based electronic application?  YesNo					
If you answered no to either item above, stop here and do not proceed to Section #2. Your business activity does not qualify for the Internet Business classification(s) under Section 21.41(c) or Section 21.41(d).					
Section #2:  Does your business activity utilize Internet-based data manipulation or an Internet-based electronic application to either sell goods or to further your business?  YesNo					
Is your business activity considered to be an "Adult Entertainment Business" as defined in Los Angeles Municipal Code (LAMC) Section 12.70 B?  YesNo					
Is your business activity considered to be any of the following: Motion Picture, Television, or Radio Producer as defined by LAMC Section 21.109, Telephone Company as defined by LAMC Sec. 21.41(e), or Radio and Television Producer as defined by LAMC Sec. 21.45(a)?  YesNo					
If you answered yes to any of the items above, stop here and do not proceed to Section #3 or Section #4. Your business activity does not qualify for the Internet Business classification(s) under Section 21.41(c) or Section 21.41(d).					
Internet-Based Application Service Providers - LAMC Section 21.41(c)					
Section #3:					
Does your business provide electronic applications, including but not limited to computer software, for customers to					
download through the Internet? YesNo					
Does your business sell electronic applications through the Internet or obtain its income from the use of its electronic applications by itself, on its behalf, or by any related entity as defined in LAMC Section 21.00(a)?  YesNo					
If you answered yes to either item above, your business activity does not qualify for the Internet-based Application Service Provider classification under LAMC Sec. 21.41(c).					

Internet-Based Data Manipulation – LAMC Section 21.41(d)					
		ers access, exclusively thros s operated by you or on yo		ctronic applications that are	
Does your busine otherwise manipu		ccess to Internet-based app	lications that allow a u	ser to search, compile, and	
		your business activity does .41(d). You do not need to		ernet-Based Data Manipulation	
the Internet Business Internet Business Internet Business	ness classification(s) un operations in the area l classification(s), please	#3 or yes to all items in Soder Section 21.41(c) or 2 below. Also, if you are edescribe those activities an if necessary. You will be	1.41(d). Please provingaged in business acd state the percentage	ide a description of your ctivities in addition to the of each separate business	
I DECLARE, U TO THE BEST	NDER PENALTY OF OF MY KNOWLEDGI	PERJURY UNDER THE THE FOREGOING IS	E LAWS OF THE S TRUE AND CORRE	TATE OF CALIFORNIA THAT CT.	
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