



Renewal Form Instructions: Calculations (Section 3)

Section 3: Business License Fee Calculations

Subtract any authorized deductions from your gross revenue. Find the resulting revenue below. Calculate the fee on **each** applicable line of the ranges below. Add the amounts and put on the "Total" line.

Revenue	Fee Calculation	Rate Class	Fee Due
\$ 0.00	\$2,000.00	\$ <u>Base Rate</u> on first \$2,000	Line 1: \$ <u>Base Rate</u> +
\$2,000.01	\$1,000,000.00	\$ <u>Increment Rate</u> per \$1,000 or part	Line 2: \$ _____ +
\$1,000,000.01	\$2,000,000.00	95% of rate per \$1,000 or part	Line 3: \$ _____ +
\$2,000,000.01	\$3,000,000.00	90% of rate per \$1,000 or part	Line 4: \$ _____ +
\$3,000,000.01	\$4,000,000.00	85% of rate per \$1,000 or part	Line 5: \$ _____ +
\$4,000,000.01	\$5,000,000.00	80% of rate per \$1,000 or part	Line 6: \$ _____ +
\$5,000,000.01	\$6,000,000.00	75% of rate per \$1,000 or part	Line 7: \$ _____ +
\$6,000,000.01	\$7,000,000.00	70% of rate per \$1,000 or part	Line 8: \$ _____ +
\$7,000,000.01	\$8,000,000.00	65% of rate per \$1,000 or part	Line 9: \$ _____ +
\$8,000,000.01	\$9,000,000.00	60% of rate per \$1,000 or part	Line 10: \$ _____ +
\$9,000,000.01	\$10,000,000.00	55% of rate per \$1,000 or part	Line 11: \$ _____ +
Revenue over	\$10,000,000.01	50% of rate per \$1,000 or part	Line 12: \$ _____ =
			TOTAL: \$ _____

Put this number on Page 1, Line 4

Line 1: This line shows the base rate, which is the business license fee on the first \$2,000 of revenue, for the business.

Line 2: If the business' gross revenue does not exceed \$1 million, subtract \$2,000 from the gross revenue (after deductions), divide by 1,000, round up to the nearest whole number, and multiply by the rate shown. For every \$1,000 – or fraction of \$1,000 – up to a million dollars, this rate applies. Write the result on Line 2.

Example: Assume a business' gross income (after authorized deductions) is \$752,819.23. Assume the rate is \$22.85 on the first \$2,000, and \$1.14 on every \$1,000 (or fraction thereof) after \$2,000.

- On the first \$2,000, the Fee Due will be \$22.85 (Line 1)
- To find out how much is due on the remaining revenue in this example: take the steps shown below:
 1. $\$752,819.23 - \$2,000 = \$750,819.23 / 1,000 = 750.81923$
 2. Round the answer up to the nearest whole number = 751
 3. Multiply 751 by the rate per \$1,000 (\$1.14) = \$856.14
 4. Write the number \$856.14 on Line 2.

Lines 3 – 12: These lines calculate the fee for *each* million dollars of revenue above one million. For revenue above \$1,000,000.00 and up to \$2,000,000, calculate the fee in the same manner as Line 2 but at 95% of the rate shown in the *second* line in the Fee Calculation column. Continue on each line of the declining rate until all revenue has been included.

Example: Assume a business' gross income (after deductions) is \$7,528,192.30. Assume the rate is \$26.00 on the first \$2,000, and \$1.20 on every \$1,000 (or fraction thereof) after \$2,000.

1. **Line 1:** On the first \$2,000, the Fee Due will be \$26.00

To find out how much is due on the remaining revenue in this example: take the steps shown below:

- | | |
|--|------------|
| 2. Line 2: \$1 million - \$2,000 = 998,000 / 1,000 = 998 times 1.20 times 1.00 = | \$1,197.60 |
| 3. For Line 3: \$2 million - \$1 million = \$1 million / 1,000 = 1,000 x 1.20 x .95 = | \$1,140.00 |
| 4. For Line 4: \$3 million - \$2 million = \$1 million / 1,000 = 1,000 x 1.20 x .90 = | \$1,080.00 |
| 5. For Line 5: \$4 million - \$3 million = \$1 million / 1,000 = 1,000 x 1.20 x .85 = | \$1,020.00 |
| 6. For Line 6: \$5 million - \$4 million = \$1 million / 1,000 = 1,000 x 1.20 x .80 = | \$960.00 |
| 7. For Line 7: \$6 million - \$5 million = \$1 million / 1,000 = 1,000 x 1.20 x .75 = | \$900.00 |
| 8. For Line 8: \$7 million - \$6 million = \$1 million / 1,000 = 1,000 x 1.20 x .70 = | \$840.00 |
| 9. For Line 9: \$7,528,192.30 - \$7 million = \$528,192.30 / 1,000 = 528.19230 | |
| Round up to the nearest whole number = 529 times 1.20 times .65 = | \$412.62 |

Total: Add the fees in each line, starting with Line 1, to get the Total license fee and write this number on the TOTAL line. This number should also be put on Line 4 of Page 1 of the renewal form.

In the example above, the Total Fee Due would equal \$26.00 + 1,197.60 + \$1,140 + \$1,080 + \$1,020 + \$960 + \$900 + \$840 + \$412.62 = \$7,576.22