

**CITY OF RICHMOND  
FINANCE DEPARTMENT  
FINANCE DIRECTOR ADMINISTRATIVE RULING NO. 6  
ADMINISTRATIVE RULING AND INTERPRETATION (6.0)**

**Authority.** Pursuant to Section 7.04.670 of the City of Richmond Gross Receipts Business Tax Measure U, the Director of Finance, upon delegation from the City Manager, hereby adopts the following administrative rulings:

**PURPOSE**

This Administrative Ruling provides clarification on a specific subject that is not covered in the Measure U Gross Receipts Tax Ordinance approved by Richmond voters in November 2020.

**BACKGROUND**

The ruling herein promulgated provides specific apportionment criteria to be used by the City of Richmond staff and the taxpayer in determining application of the Business Tax of gross receipts.

**RULING OF THE DIRECTOR OF FINANCE**

This ruling provides an exemption to the Business Certificate Requirements, under City of Richmond Municipal Code (RMC) Chapter 7.04 BUSINESS LICENSES, to businesses considered vendors that are under contract with the City of Richmond to perform work or provide services for the City of Richmond.

Specifically, this ruling applies to RMC section 7.04.020(2) Business Certificate Requirements

Every person conducting any business activity in the city shall pay the annual business tax and obtain an annual business tax certificate from the city. Except as otherwise specifically provided, the city shall collect business taxes and issue business tax certificates on a calendar year basis.

Notwithstanding the above, vendors whose cumulative contracts with the City of Richmond are valued at less than \$10,000 per calendar year are hereby exempted from the Business Certificate Requirements in listed in RMC section 7.04.020 (2).

However, if the vendor performs work or provides services to other persons or businesses located within the City of Richmond, the value of those contracts shall be added to the overall cumulative amount calculation. If the total value

exceeds \$10,000 (ten thousand), the exemption will no longer be available and the vendor must comply with the Business Certificate Requirements.

Please note that this exemption is not applicable to businesses that are specifically required to obtain a Business Certificate under other provisions of the Richmond Municipal Code.

**Limitation.** This Ruling and Interpretation is intended to give general guidance and should not be viewed as providing a definitive solution to all similar situations, as the exact application of the tax will depend on the nature of the service, the manner in which it is billed (e.g., bundled or unbundled), and other factors.

City of Richmond, Director of Finance



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Andrea Miller

Date: August 31, 2023