

August 27, 2008

CITY OF OAKLAND
FINANCIAL MANAGEMENT AGENCY
REVENUE DIVISION

DIRECTOR OF FINANCE AND MANAGEMENT AGENCY RULING NO. 31
DETERMINATION OF TAX FOR THE CLASSIFICATION OF REAL ESTATE
BROKERS LOCATED OUTSIDE OF THE CITY

Reference: Section 5.04.350, Oakland Municipal Code.

PURPOSE

Clarifies the measure of tax for outside real estate brokers participating in selling/buying transactions for property located within the City of Oakland.

BACKGROUND

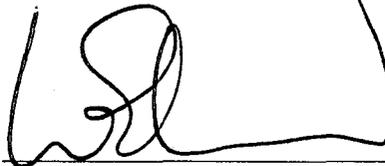
This ruling is provided to clarify and emphasize the criteria to be used by staff and the taxpayer in determining the measure of tax.

RULING OF THE DIRECTOR OF FINANCE

Every out-of-city real estate broker participating in transactions involving the sale or purchase of property located in City shall be taxed on its gross receipts as provided by in Sections 5.04.020 and 5.04.030 of the Oakland Municipal Code without any deductions for commissions paid or payable to their real estate salespersons/agents. This rule applies whether such payments are made by the brokers to the salespersons/agents or paid by the title company to said real estate salespersons/agents directly from the proceeds of the transactions.

“Gross Receipts”: For purpose of taxation under the above referenced Oakland Municipal Code Sections, gross receipts are herein defined as including all commissions and/or fees to the entity. (OMC 5.04.030)

Outside real estate brokers are required to maintain books and records showing details of selling/buying transactions for property located in the city. Outside real estate brokers are required to report their total gross receipts generated from Oakland property transactions, which shall be used in the determination of business tax liabilities due.



William Noland
Director, Finance and Management Agency

Affirmed:

Board of Review