

RESOLUTION 2025-xx

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS GRANTING A WAIVER OF BUSINESS LICENSE LATE FEE PENALTIES FOR BUSINESSES UNDERGOING THE BUSINESS LICENSE DISCOVERY AND COMPLIANCE AUDIT PROCESS

WHEREAS, the Town of Los Gatos requires all businesses operating within the Town to obtain and maintain a valid business license in accordance with the Los Gatos Municipal Code; and

WHEREAS, the Town recognizes that businesses may, from time to time, be subject to audits conducted by the Town or its authorized agents to ensure compliance with business license tax requirements; and

WHEREAS, during the course of such audits, businesses may become aware of unintentional underreporting or late payment of business license taxes; and

WHEREAS, the Town Council desires to encourage voluntary compliance and cooperation during the audit process by providing temporary relief from late fee penalties under specific circumstances; and

WHEREAS, the Town will follow best practice and allow each business 90 days from the date of notice of noncompliance to achieve compliance without late fee penalties; and

WHEREAS, waiving late fee penalties for businesses actively participating in the audit process promotes transparency, fairness, and goodwill between the Town and the business community.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Los Gatos as follows:

1. Waiver Authorization

The Town Manager or their designee is hereby authorized to waive business license late fee penalties for businesses from the date the underpayment was identified that are:

- Actively undergoing an audit initiated by the Town or its authorized agents; and
- Found to have underreported or delayed payment of business license taxes without evidence of willful neglect or fraud.

2. Eligibility Criteria

To qualify for the waiver, a business must:

- Fully cooperate with the audit process;
- Submit all required documentation and information in a timely manner; and
- Pay all outstanding business license taxes due as determined by the audit within 90 days of receiving notice of noncompliance.

3. **Limitations**

This resolution does not apply to:

- Businesses found to have intentionally evaded business license tax obligations;
- Penalties assessed prior to the effective date of this resolution unless the audit was initiated prior to that date.

4. **Effective Date**

This resolution shall take effect immediately upon its adoption and shall remain in effect unless amended or repealed by the Town Council.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 16th day of September, 2025, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS

LOS GATOS, CALIFORNIA