



FINANCE DEPARTMENT BUSINESS LICENSE

Definitions, Tax and Fees

State mandates cities collect a \$4.00 fee (SB 1186) on all applications/renewals, NO EXCEPTIONS.

In City Residential (Home) no employee fees

A business or independent contractor, NOT a construction contractor, operating out of an office in their residence within the city limits of Morgan Hill

Tax \$20.00

Construction contractor: general building, plumbing, electrical contractor.... and holds a State Contractor's License

Tax \$60.00

Outside City License (No Fixed) no employee fees

Independent contractors, consultants, realtors, etc, with their office located outside the city limits of Morgan Hill and providing services or materials to businesses or residents of Morgan Hill

Tax \$45.00

Vending (see below) if applicable

Construction contractor: general building, plumbing, electrical contractor.... and holds a State Contractor's License

Tax \$60.00

Peddlers, street vendors and/or solicitors selling goods or offering services and/or ice cream vehicles

Semi Annual Tax \$60.00

Tax is late after July 31st, a 10% penalty assessed, an additional 15% penalty assessed after August 31st.

Non-profit (501c3), veterans, and/or exempt businesses must obtain and maintain a business license in ACTIVE status while operating in Morgan Hill. Keep your license active by submitting your annual renewal notice to the city with the state fee.

Veteran: City BL tax and fees waived, State fee collected

Non-profit (501c3): City BL tax waived, State and processing fees collected

Vending/Amusement Machines (goods/services)

Operator: Any person who shall, as owner, lessee, employee, agent or otherwise, operate, install, keep, maintain, permit or allow to be operated, installed or maintained any mechanical amusement device or vending machine in or upon any premises owned, leased, managed, operated or controlled by such person within the City.

Machine: Any coin-operated mechanical device from which goods or services are dispensed or offered for sale to the public, other than mechanical amusement devices.

Vending \$ **10.00 ea**
Amusement Devices \$ **40.00 ea**

Jukebox, Music Machines \$ **30.00 ea**
Pinball Machines \$ **60.00 ea**

Processing Fees: FY 2025-26

Application Review Fee: \$83.00, applicable with ALL new applications and change of business address WITHIN Morgan Hill.

Application Renewal Fee: \$15.01, applicable with ALL renewals.

Zoning Review Fee: Commercial & Professional location: \$128.00 Residential: \$128.00 **Building Review Fee:** \$120.00. Fee applicable to all businesses located in Morgan Hill and when change of business address in Morgan Hill occurs.

In City Commercial (Fixed or Apt..)

Business located within the city limits of Morgan Hill in a commercial or industrial site

Tax \$20.00

Fulltime Employee >30 hrs/wk (2 FREE) **\$6.00**

Parttime Employee <30 hrs/week (2 FREE) **\$3.00**

Vending (see below) if applicable

Construction contractor: general building, plumbing, electrical contractor.... and holds a State Contractor's License

Tax \$60.00

No employee fee applicable

Vending (see below) if applicable

License

Rentals: Apartments (4 or more units), hotels, motels or mobile home parks located within Morgan Hill's city limits

Tax \$15.00

Rate per rental unit \$3.00

No employee fee applicable

Vending (see below) if applicable

In City Professional (Professional)

Doctor, dentist, engineer, accountant, masseur, scientist..., located within the city limits of Morgan Hill in a professional building

Tax \$60.00

Fulltime Employee > 30 hrs/wk (2 FREE) **\$5.00**

Parttime Employee <30 hrs/wk (2 FREE) **\$2.50**

Vending (see below) if applicable

Additional tax rates available