Chapter 3.14

UTILITY USER’S TAX

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Section 3.14.010 Short title.

The ordinance codified in this chapter shall be known and cited as the "Utility User’s Tax Ordinance." (Ord. 3720 § 18, 1970)


Except where the context requires otherwise, the definitions given in this section govern the construction of this chapter.

"Individual service" means the service of a particular utility which is provided to one service user on one premises, whether provided through multiple metering devices or not.

"Month" means a calendar month.

"Person" means any domestic or foreign corporation, firm, association, syndicate, joint stock company, partnership of any kind, joint venture, club, Massachusetts business or common-law trust, society, individual or municipal corporation.

"Service supplier" means a person required to collect and remit a tax imposed by this chapter.

"Service user" means a person required to pay a tax imposed by this Chapter.

"Tax Administrator" means the Finance Director of the City.

"Telephone corporation," "electrical corporation," "gas corporation," "water corporation" and "cable television corporation" shall have the same meanings as defined in Sections 234, 218, 222, 241 and 215.5, respectively, of the Public Utilities Code of the State, as said sections existed on January 1, 1970. "Electrical corporation" and "water corporation" include any
municipality or franchised agency engaged in the selling or supplying of electrical power or water to a service user.


Section 3.14.030 Telephone user's tax.

A. There is imposed a tax upon every person, other than a telephone corporation, using intrastate telephone communication services in the City. The tax imposed by this section shall be at the rate of six and one-half percent of all charges made for such services and shall be paid by the person paying for such services. The maximum annual telephone user's tax payable by manufacturing and wholesaling businesses taxed in accordance with the business tax rates established by Section 5.04.300(A)(2) of this code for an individual service shall be fifteen thousand dollars for the fiscal year July 1, 1990, to June 30, 1991, and for the following fiscal years there shall be no such maximum tax limit, and all telephone use shall be subject to the tax.

B. As used in this section, "charges" shall not include charges for services paid for by inserting coins in coin-operated telephones, except that where such coin-operated telephone service is furnished for a guaranteed amount, the amounts paid under such guarantee plus any fixed monthly or other periodic charge shall be included in the base for computing the amount of tax due; nor shall "telephone communication services" include telephone channel facilities used by a cable television corporation in supplying cable television service to its customers, nor land mobile services or maritime mobile services as defined in Section 2.1 of Title 47 of the Code of Federal Regulations, as such section existed on January 1, 1969.

C. Notwithstanding the provisions of Subsection A of this section, the tax imposed under this section shall not be imposed upon any person for using intrastate telephone communication services to the extent that the amounts paid for such services are exempt from or not subject to the tax imposed by Section 4251 of Title 26 of the United States Code, as such section existed on January 1, 1969, without regard to subsection (b) thereof. (Ord. 5853 § 1, 1990; Ord. 5745 § 1, 1989; Ord. 5049 § 2, 1982; Ord. 4923 § 1, 1981; Ord. 3720 § 2, 1970)

Section 3.14.040 Electricity user's tax.

A. There is imposed a tax upon every person using electrical energy in the City. The tax imposed by this section shall be at the rate of six and one-half percent of the charges made for such energy and shall be paid by the person paying for such energy. "Charges" as used in this section includes charges made for (1) metered energy; and (2) minimum charges for service, including customer charges, service charges, demand charges, standby charges, and annual and monthly charges, but excluding any and all surcharges. The maximum annual electricity user's tax payable by manufacturing and wholesaling businesses taxed in accordance with the business tax rates established by Section 5.04.300(A)(2) of this code for an individual service shall be fifty thousand dollars for the fiscal year July 1, 1990, to June 30, 1991, and for the following fiscal years there shall be no such maximum tax limit, and all electricity use shall be subject to the tax.

B. As used in this section, "using electrical energy" shall not mean the storage of such energy by a person in a battery owned or possessed by him for use in an automobile or other machinery or device apart from the premises upon which the energy was received; provided, however, that the term shall include the receiving of such energy for the purpose of using it in the charging of batteries. The term shall not include electricity used in water pumping by water corporations, nor shall the term include the mere receiving of such energy by an electrical
corporation at a point within the City for resale.

C. There shall be excluded from the base on which the tax imposed in this section is computed, charges made by a municipal light or power department, or electric public utility for electrical energy used and consumed by such department or utility in the conduct of the business of such department or utility. In addition, there shall be excluded from the base on which the tax imposed by this section is computed, the charge for the electricity provided by a municipal light or power department or electric public utility in lieu of the electricity which had previously been self-produced by the user and for which an agreement has been entered into by and between the City and such user to provide for the exemption from the electricity user's tax of the agreed upon level of electrical energy for the term of said agreement.

D. Notwithstanding any other provisions of this chapter, the tax imposed pursuant to this section may be reduced in accordance with the schedule as hereinafter set forth for certain industrial users as may be designated from time to time by resolution of the City Council upon a finding by the City Council that reductions in certain fees, charges or taxes are necessary to retain a major industrial development with no less than five hundred permanent employees within the City and that such retention is in the City's economic best interests or that such industrial user has entered into a contractual arrangement with the City's Public Utilities Department for 69kV electrical service when electric service was not previously provided to such facility. Following the adoption of a resolution of the City Council designating an industrial user as herein provided and establishing the date of commencement of the reduction in the electricity user's tax, the tax shall be payable at the following rates: one-fifth of the then-current rate as set forth in Subsection A of this section during the first year of such reduction commencing on the date designated in the resolution; at two-fifths of the then-current rate as set forth in subsection A during the second year; at three-fifths of the then-current rate as set forth in Subsection A during the third year; and at four-fifths of the then-current rate as set forth in Subsection A during the fourth year. During the fifth year following the date of commencement of the reduction as set forth in the resolution and for each subsequent year thereafter, the tax shall be paid at the then-current rate as set forth in Subsection A of this section. (Ord. 6250 § 1, 1995; Ord. 6249 § 1, 1995; Ord. 5853 § 2, 1990; Ord. 5745 § 2, 1989; Ord. 5049 § 3, 1982; Ord. 5022 § 1, 1982; Ord. 4923 § 2, 1981; Ord. 4424 § 1, 1977; Ord. 3720 § 3, 1970)

Section 3.14.050 Gas user's tax.
A. There is imposed a tax upon every person in the City, other than a gas corporation or electrical corporation using gas in the City which is delivered through mains or pipes. The tax imposed by this section shall be at the rate of six and one-half percent of the charges made for such gas, including minimum charges for service, and shall be paid by the person paying for such gas. The maximum annual gas user's tax payable by manufacturing and wholesaling businesses taxed in accordance with the business tax rates established by Section 5.04.300(A)(2) of this code for an individual service shall be fifteen thousand dollars for the fiscal year July 1, 1990, to June 30, 1991, and for the following fiscal years there shall be no such maximum tax limit, and all gas use shall be subject to the tax.
B. There shall be excluded from the base on which the tax imposed in this section is computed:
1. Charges made for gas which is to be resold and delivered through mains or pipes;
2. Charges made for gas used in the generation of electrical energy by an electrical corporation;
3. Charges made by a gas public utility for gas used and consumed in the conduct of the business of gas public utilities;
4. Charges for gas used in water pumping activities; and
5. Charges for gas used in propelling motor vehicles. (Ord. 5853 § 3, 1990; Ord. 5745 §
Section 3.14.060 Water user's tax.
A. There is imposed a tax upon every person using in the City water which is delivered through mains or pipes. The tax imposed by this section shall be at the rate of six and one-half percent of the charges made for such water and shall be paid by the person paying for such water. "Charges" as used in this section includes charges made for (1) metered water; and (2) minimum charges for services, including customer charges, service charges, standby charges and annual or monthly charges. The maximum annual water user's tax payable by manufacturing and wholesaling businesses taxed in accordance with the business tax rates established by Section 5.04.300(A)(2) of this code for an individual service shall be fifteen thousand dollars for the fiscal year July 1, 1990, to June 30, 1991, and for the following fiscal years there shall be no such maximum tax limit, and all water use shall be subject to the tax.
B. There shall be excluded from the base on which the tax imposed in this section is computed:
   1. Charges made for water which is to be resold and delivered through mains or pipes;
   2. Charges made by a municipal water department, water public utility or a County or municipal water district for water used and consumed by such department, utility or district in the conduct of the business of such department, utility or district; and

Section 3.14.065 Cable television user's tax.
There is imposed a tax upon every person in the City using cable television service. The tax imposed by this section shall be at the rate of six and one-half percent of the charges made for such services and shall be paid by the person paying for such service. The maximum annual cable television user's tax payable by manufacturing and wholesaling businesses taxed in accordance with the business tax rates established by Section 5.04.300(A)(2) of this code for an individual service shall be fifteen thousand dollars for the fiscal year July 1, 1990, to June 30, 1991, and for the following fiscal years there shall be no such maximum tax limit, and all cable television use shall be subject to the tax. (Ord. 5853 § 5, 1990; Ord. 5745 § 5, 1989; Ord. 5049 § 7, 1982; Ord. 4923 § 5, 1981; Ord. 3940 § 3, 1972)

Section 3.14.070 Exemptions.
Nothing in this chapter shall be construed as imposing a tax upon any person if imposition of such tax upon that person would be in violation of the Constitution of the United States or the Constitution of the State.
There shall also be exempt from the provisions of the tax imposed by this chapter the following:
A. Nonprofit major hospitals which shall be interpreted to mean nonprofit "general acute care hospitals," as the term is defined by Section 1250 of the Health and Safety Code of the State;
B. State accredited institutions of higher learning;
C. Municipally owned facilities operated by the City or leased by the City to a nonprofit corporation;
D. Nonprofit senior citizens housing projects. (Ord. 4923 § 6, 1981; Ord. 3720 § 6, 1970)
Section 3.14.080 Collection of tax.

A. Every person receiving payment of charges from a service user shall collect the amount of tax imposed by this chapter from the service user.

B. The tax shall be collected insofar as practicable at the same time as, and along with the collection of charges made in accordance with the regular billing practice of the service supplier. If the amount paid by a service user is less than the full amount of the charge and the tax which has accrued for the billing period, a proportionate share of both the charge and the tax shall be deemed to have been paid.

C. The duty to collect tax from a service user shall commence with the beginning of the first regular billing period applicable to that person which starts on or after the operative date of the ordinance codified herein. Where a person receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period.

D. A service supplier shall collect taxes imposed by this chapter on all taxable charges without regard for the maximum annual tax and the refund provisions set forth elsewhere in this chapter; however, a service user may apply for refund of taxes under the provisions of Sections 3.14.150 and 3.14.160. (Ord. 3720 § 7, 1970)

Section 3.14.090 Reporting and remitting.

Each service supplier shall, on or before the twentieth of each month make a return to the tax administrator, on forms provided by him, stating the amount of taxes billed by the service supplier during the preceding month. At the time the return is filed, the full amount of tax collected shall be remitted to the tax administrator. The tax administrator is authorized to require such further information as he deems necessary to properly determine if the tax here imposed is being levied and collected in accordance with this chapter. Returns and remittances are due immediately upon cessation of business for any reason.

Where the remittance of taxes collected under this chapter is based upon the estimated percentage of the total amount billed, less uncollectibles and delinquents, the service supplier may submit a payment plan to the tax administrator for his approval. If the tax administrator determines after examining the plan that it is reasonably based on prior system-wide bill collection experience he shall approve the plan. If there is indication to the tax administrator that the payments made are less than ninety-five percent of the actual taxes due, he is authorized to investigate and determine whether the service supplier shall submit a new plan. (Ord. 3720 § 8, 1970)

Section 3.14.100 Penalty.

A. Taxes collected from a service user which are not remitted to the tax administrator on or before the due dates provided in this chapter are delinquent.

B. Penalties for delinquency in remittance of any tax collected or any deficiency determination, shall attach and be paid by the person required to collect and remit at the rate of fifteen percent of the total tax collected or imposed herein.

C. The tax administrator shall have power to impose additional penalties upon persons required to collect and remit taxes under the provisions of this chapter for fraud or negligence in reporting or remitting at the rate of fifteen percent of the amount of the tax collected or as recomputed by the tax administrator.

D. Every penalty imposed under the provisions of this section shall become a part of the tax required to be remitted. (Ord. 3720 § 9, 1970)

Section 3.14.110 Actions to collect.

Any tax required to be paid by a service user under the provisions of this chapter shall
be deemed a debt owed by the service user to the City. Any such tax collected from a service
user which has not been remitted to the tax administrator shall be deemed a debt owed to the
City by the person required to collect and remit. A service supplier is not liable to the City until
the tax is collected from a service user. Any person owing money to the City under the
provisions of this chapter shall be liable to an action brought in the name of the City for the
recovery of such amount.  (Ord. 3720 § 10, 1970)

Section 3.14.120  Failure to pay tax--Administrative remedy.
Whenever the tax administrator determines that a service user has deliberately withheld
the amount of the tax owed by him from the amounts remitted to a service supplier, or that a
service user has failed to pay the amount of the tax for a period of two or more billing periods, or
whenever the tax administrator deems it in the best interest of the City, he shall relieve the
service supplier of the obligation to collect taxes due under this chapter from said service users
for specified billing periods. The tax administrator shall notify the service user that he has
assumed responsibility to collect the taxes due for the stated periods and demand payment of
such taxes. The notice shall be served on the service user by handing it to him personally or by
deposit of the notice in the United States mail, postage prepaid thereon, addressed to the
service user at the address to which billing was made by the service supplier; or should the
service user have changed his address, to his last known address. If a service user fails to
remit the tax to the tax administrator within fifteen days from the date of mailing if service is not accomplished in person, a penalty of
twenty-five percent of the amount of the tax set forth in the notice shall be imposed, but not less
than five dollars. The penalty shall become part of the tax herein required to be paid.  (Ord.
3720 § 11, 1970)

Section 3.14.130  Civil debt.
The taxes imposed by this chapter shall be civil debts owing to the City from the service
user.  (Ord. 3720 § 12, 1970)

Section 3.14.140  Records.
It shall be the duty of every person required to collect and remit to the City any tax
imposed by this chapter to keep and preserve, for a period of three years, all records as may be
necessary to determine the amount of such tax as he may have been liable for the collection of
and remittance to the tax administrator, which records the tax administrator shall have the right
to inspect at all reasonable times.  (Ord. 3720 § 13, 1970)

Section 3.14.150  Refunds--Overpaid or collected in error.
A. Whenever the amount of any tax has been overpaid or paid more than once or has
been erroneously or illegally collected or received by the tax administrator under this chapter, it
may be refunded as provided in this section.
B. A person required to collect and remit taxes imposed under this chapter may claim a
refund or take as credit against taxes collected and remitted the amount overpaid, paid more
than once or erroneously or illegally collected or received when it is established in a manner
prescribed by the tax administrator that the service user from whom the tax has been collected
did not owe the tax; provided, however, that neither a refund nor a credit shall be allowed unless
the amount of the tax so collected has either been refunded to the service user or credited to
charges subsequently payable by the service user to the person required to collect and remit.
C. No refund shall be paid under the provisions of this section unless the claimant
established his right thereto by written records showing entitlement thereto.
D. If the amount of any tax paid is in excess of the maximum amount payable as provided in Sections 3.14.030 through 3.14.060, the tax administrator shall refund the amount overpaid to the service user within sixty days after the service user has established his entitlement to such refund, provided that no refunds under this subsection need be made more frequently than quarter-annually. (Ord. 3720 § 14, 1970)

Section 3.14.160 Refunds--Low income.

A. A refund of not to exceed thirty-five dollars of all taxes due and paid under the provisions of this chapter for utility services rendered on and after July 1, 1988, through March 31, 1989, or for succeeding twelve-month periods of April 1 through March 31, shall be made whenever all of the following occur:
   1. The household income of the claimant is less or equal to 150% of the first income level of the current federal poverty guideline using the last preceding federal income tax reporting period to document such income;
   2. Claimant makes an application and files a verified claim in writing at the Department of Finance at City Hall for such refund upon a claim form provided by the tax administrator;
   3. The claim is approved by the tax administrator as being in conformance with this Section. Only one member of each household may file a claim, and only one claim may be filed for each individual household.
B. The claimant shall be the person in whose name the bills for utilities services were rendered.
C. “Household Income” means the combined income from all sources for all members of a household in which the claimant lives.”
D. The claim for such refund for the preceding period ending on March 31 shall be made only during the filing period of April 1 through June 30 of each year. Claims for utility user's tax refunds must be accompanied by a copy of the utility bills and the street light assessment refund with copies of the property tax bills due December 10 and April 10, together with proof that the bills have been paid by the claimant or some member of the household. No such refund shall be made on any claim filed or postmarked later than the thirtieth day of June. In cases of severe financial hardship, earlier claims for refunds may be filed after full payment of the street light assessment.
E. No refund shall be made to any person for taxes levied on a utility account for which any utility tax is due and outstanding for the period for which refund is claimed or for any prior period. No refund shall be made of any tax which was paid with public assistance or relief funds which included an allowance to pay the tax.
F. Nothing in this section shall be construed to require that any utility company has any obligation to make or furnish, for the purpose of the refund provisions hereof, proof of utility taxes due or utility taxes paid.

Any person qualifying for a low income utility user's tax refund under this section may when applying for such refund make application and receive a one hundred percent refund for any assessment paid by this person under the City-wide 1972 Landscape and Street Light Assessment District established in 1988 by the City of Riverside. (Ord. 7246 § 1, 2014; Ord. 5706 § 1, 1989; Ord. 4923 § 7, 1981; Ord. 4114 § 1, 1974; Ord. 3720 § 15, 1970)

Section 3.14.165 Refunds--Agua Mansa enterprise zone.

A. A refund in accordance with the following schedule of utility user's taxes due and paid under the provisions of this chapter for utility services rendered on or after the operative date of this section shall be made as hereinafter provided to those new industrial or commercial developments located within that portion of the Agua Mansa enterprise zone lying within the corporate limits of the City of Riverside, excluding retail firms, and to those existing industrial or
commercial developments located within that portion of the Agua Mansa enterprise zone lying within the corporate limits of the City of Riverside, excluding retail firms, which have expanded after the operative date of this section and which expansion results in an increase of ten percent in the number of permanent jobs for that business at that location subject to a minimum increase of five additional jobs. The schedule of refunds for each qualifying business is as follows: A refund of seventy-five percent in the first year following the opening of a new business or the expansion of an existing business; a refund of fifty percent in the second year; and a refund of twenty-five percent in the third year. No refunds shall be given in the fourth or any following year.

B. To claim a refund, the claimant must submit a verified claim in writing to the Department of Finance at City Hall upon a form provided by the tax administrator and with such supporting documentation as may be required by the tax administrator to establish the amount of utility user's taxes paid by the claimant for the period claimed, and the commencement date of the "first year" as that term is used herein. A claim for refund shall be submitted annually not later than three months after the close of the year for which such refund is sought. The verified claim must be signed by an authorized officer of the claimant. The claim will be paid in accordance with the City's usual accounting procedures following the approval of the claim by the tax administrator as being in conformance with the provisions of this section.

C. "First year" as used in this section shall mean for a new industrial or commercial development the twelve-month period immediately following the date of commencement of business at the location for which a claim for refund is filed; and for the expansion of an existing business, the twelve-month period immediately following the date the required number of additional employees report to work at the location for which a claim is filed.

D. "Retail firms" as used in this section shall mean those firms or businesses which derive fifty percent or more of its gross receipts from direct and final sales of goods or services to the public.

E. The boundaries of that portion of the Agua Mansa enterprise zone lying within the corporate limits of the City are described as follows:

Beginning at the City limit at the intersection of Market Street and the Santa Ana River, southerly along Market Street to the centerline of Highway 60, thence southwesterly along the centerline of Highway 60 to Spruce Street, thence easterly along Spruce Street to the Southern Pacific Railroad track, thence northerly along the Southern Pacific Railroad track, to the Riverside City limit, thence westerly following the Riverside City limits to Market Street. (Ord. 5427 § 1, 1986)

Section 3.14.166  Refunds--Local enterprise zones.

A. A refund in accordance with the following schedule of utility user's taxes due and paid under the provisions of this chapter for utility services rendered on or after the establishment of a local enterprise zone by resolution of the City Council for the area encompassing said user shall be made as hereinafter provided to those new industrial or commercial developments located within said local enterprise zone, excluding retail firms, creating at least five new permanent jobs and to those existing industrial or commercial developments located within said local enterprise zone, excluding retail firms, which have expanded after the designation of said local enterprise zone which expansion results in an increase of ten percent in the number of permanent jobs for that business at that location subject to a minimum increase of five additional jobs; provided, however, that those businesses seeking to qualify for the reduction will be required to add value to the existing assessed valuation of the subject property by investing at least five hundred thousand dollars over a five-year period in new construction and/or tenant improvements; and further provided that the refunds for those existing industrial or commercial developments which are expanding shall be limited to that portion of the utility user's tax
attributable to such expansion and not to the existing development.

The schedule of refunds for each qualifying business is as follows: a refund of seventy-five percent in the first year following the opening of a new business or the expansion of an existing business; a refund of fifty percent in the second year; and a refund of twenty-five percent in the third year. No refunds shall be given in the fourth or any following year.

B. To claim a refund, the claimant must submit a verified claim in writing to the Finance Department at City Hall upon a form provided by the tax administrator and with such supporting documentation as may be required by the tax administrator to establish the amount of utility user's taxes paid by the claimant for the period claimed, and the commencement date of the "first year" as that term is used herein. A claim for a refund shall be submitted annually not later than three months after the close of the year for which such refund is sought. The verified claim must be signed by an authorized officer of the claimant. The claim will be paid in accordance with the City's usual accounting procedures following the approval of the claim by the tax administrator as being in conformance with the provisions of this section.

C. "First year" as used in this section shall mean for a new industrial or commercial development, the twelve-month period immediately following the date of commencement of business at the location for which a claim for refund is filed; and for the expansion of an existing business, the twelve-month period immediately following the date the required number of additional employees report to work at the location for which a claim is filed.

D. "Retail firm" as used in this section shall mean a firm or business which derives fifty percent or more of its gross receipts from direct and final sales of goods or services to the general public.

E. "Local enterprise zone" shall mean those economically depressed areas of the City so designated as a local enterprise zone from time to time by resolution of the City Council, the boundaries of which are specifically described in said resolution. (Ord. 6168 § 1, 1994)

Section 3.14.170 Imposition of taxes.

The taxes imposed by this chapter shall become imposed as follows:

A. With respect to electricity user's tax as of July 1, 1989, or at the beginning of the first regular billing period thereafter which would not include service prior to July 1, 1989;

B. With respect to water users receiving water from a municipally owned water utility the water user's tax as of July 1, 1989, or at the beginning of the first regular billing period thereafter which would not include water used prior to July 1, 1989;

C. With respect to water user's tax for users receiving water from a non-municipally owned water company, as of July 1, 1989, provided that the tax shall be collected beginning with the first regular billing period on or after August 1, 1989, which billing does not include water used prior to July 1, 1989;

D. With respect to gas user's tax as of August 1, 1989, or at the beginning of the first regular billing period thereafter which would not include service prior to August 1, 1989;

E. With respect to telephone user's tax, said tax shall be imposed as of August 1, 1989, or as soon as practical thereafter which would not include service prior to August 1, 1989;

F. With respect to cable user's tax as of August 1, 1989, or at the beginning of the first regular billing period thereafter which would not include service prior to August 1, 1989. (Ord. 5745 § 6, 1989; Ord. 3720 § 17, 1970)

Section 3.14.180 Separability.

If any section, subsection, sentence, clause, phrase or portion of this chapter is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof. (Ord. 3720 § 16, 1970)