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Business License Application Guidelines for Venture Capital Groups and Multiple Entity Business Structures

When there are multiple entities within a venture capital group or multiple entity business structure each entity with a separate Federal or State tax I.D. number must obtain its own separate business license.

In order to simplify compliance and reporting the filing procedures described below are acceptable.

- One entity must be selected as the Management Entity.

On the license application for the Management Entity list the number of employees for all entities. Next, list the combined gross receipts from the prior calendar year for all entities. Use the enclosed guide to annual business license tax calculation to determine the amount of business license tax based on both the number of employees and the combined gross receipts.

Record and remit the highest of these two calculated taxes and the application processing fee.

- All other entities are to be reported as Sub-entities.

On the application for the Sub-entities you are to write, “reported under (the name or the license number of the Management entity)”, in both the number of employees and gross receipts sections, example “reported under ABC Management Co., Inc.” or “reported under license #12345”.

The annual license tax for each sub-entity reporting in this manner is \$50. Write \$50 in the “Other fees” section of the application.

Record and remit this amount and the application processing fee.

The license applications and payment for all entities should be submitted at one time, if possible. There must be a Management entity for each Venture Capital Group or Multiple Entity Business Structure reporting in this manner.