

# RENTAL INCOME QUESTION TREE

Is the property **commercial**? → YES →

It is taxable. A Business License is required. A Net Profits License Fee Return must be filed annually. It does not matter what form of entity ownership, all net profits from the rental are taxable.

NO

So, the property is **residential**.

Is the owner an **individual or a single member LLC**? → NO

YES

The ordinance defines a housing unit as a single living quarters (duplex=2, apartment unit = 1).

How many housing units are owned inside the city limits? → 5 or MORE

4 or LESS

You are considered a “casual landlord” and are exempt. In the future, if additional units are acquired that bring the count to 5 or more inside the city limits, then a business license must be obtained at that time.