

Summary of Business Licenses

Potential Fee Structures

- No Fee
- Flat Fee (Annual)
- Flat Fee Plus Fee per FTE
- Tiered Fee by Revenue Within City Limits

Examples of Fees by local Cities

City	New License Fee	Renewal Fee	B&O	Employee Fee?
Bainbridge Is	\$74	same	yes	no
Carnation	\$75	same	no	no
Clyde Hill	\$25	same	no	no
Covington	\$65	same	no	no
Duvall	\$55	same	no	no
Issaquah	\$60	same	yes	no
Kirkland	\$100 + \$130 per FTE	same	no	yes
Mercer Island	\$30	same	yes	no
Mill Creek	\$50 - \$325	same	no	yes
Newcastle	\$31	same	no	no
Sammamish	\$15	same	no	no
Tukwila	\$112 per FTE	same	no	yes
Woodinville	\$39	same	no	no

What Type of Business Would Require a License?

Discussion topic on who the city wants to capture

- Local Businesses
- Businesses Run out of Homes
- Short Term Rentals
- Contractors or Landscapers
- Non-Profits

Department of Retirement Answer to Sales Tax Tracking

“Regarding the sourcing of local sales tax, we do primarily rely on businesses to accurately source local tax to the proper jurisdiction. We provide tools such as GIS, Tax Rate Lookup to assist them with this. My team also reviews distribution monthly to attempt to catch incorrectly sourced local tax.

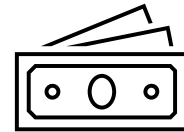
You can also reach out at any time to me or anyone here at DOR if you have concerns about a specific business, or specific return period that looks concerning. My team spends a decent amount of time researching businesses sent over by jurisdictions from their research of distribution reports.”

Revenue Model

This template is meant to maximize revenue for Medina, through heavy per FTE fees targeting all businesses operating in and out of the city. This model would require all businesses who earn revenue during the year to carry a business license.

Fee Structure

- \$100 annually, with a \$150 annual per FTE fee as well.
- \$500 annual short term rental properties within Medina.



Total projected revenue: \$50,000 - \$75,000 Annually

Information Model

This template is to be a low-cost model for the city to receive the benefit of business information while not charging annual fees. All businesses would be required to register, which would allow the city to track all commercial work done within the city and to utilize the information for decision making going forward.

- No fee (Businesses would still be required to pay \$5/year to register with DOR)

Total Projected Revenue: \$0

Hybrid Model

This is the recommended template that combines both the previous models with some included waivers that allow the city to make some money, while not being overbearing on local business.

- Tiered Fee structure based on revenue
 - o \$0 for Non-Profit of businesses making under \$6,000/year
 - o \$100 for businesses making between \$6,000 and \$100,000/year
 - o \$500 for businesses making \$100,000/year

Waivers for business licenses for all businesses not registered in Medina, and who do less than \$6,000/year within the city.

Total Projected Revenue: \$20,000/year

From Revenue's Business Licensing Service (BLS)

Subject Benefits of Washington state's free combined licensing partnership

This document describes the benefits of partnership with the state's Business Licensing Service (BLS), a clearinghouse for business licensing.

We offer our service free of charge to government regulatory programs. BLS connects local licensing with state programs in a combined process that benefits cities, counties, the regional business community, and business owners.

BLS benefits for businesses

- **One-stop licensing** – State agency licenses integrate with local licenses in a fast-and-easy process for both applications and renewals.
- **Same system** – Integrated system to manage licenses in the same portal all state taxpayers use.
- **Great service** – Free online, phone, and chat support on weekdays.
- **No travel** – Apply for business licenses with more than 200 municipal governments.
- **Easy license printing** – Print a license or other documents online anytime.
- **Check account status** – Review status and expirations online with dor.wa.gov/BusinessLookup
- **One processing fee** – Apply for any number of licenses on a single combined application with just one handling fee. Renew all the location account's licenses with just one renewal handling fee per location.

BLS benefits for government regulator

- **Reduced costs**
 - BLS processes all applications and renewals
 - BLS prints and mails paper notices, renewals, and licenses with no charge to partners
 - Follow-up collection services, both for missing information and dishonored payments
 - BLS offers direct and responsive personal assistance to partners during business hours
 - BLS self-help online services available 24/7 via a simple web-browser-based portal
- **Enhanced services**
 - Local government retains full regulatory control and authority
 - Enhanced licensing compliance and organic increases to revenues
 - Licensing services provided online with no administrative cost to government agencies
 - On-demand reporting, including financials for licensing revenues
 - GIS location – applicants within jurisdictions get the correct license auto-added to applications
 - Reallocate staff from clerical tasks to perform customer service and regulatory work

State registrations linked to other licensing

BLS is the one-stop shop for Washington state and local licensing, offering nearly 600 license endorsements representing more than 30 state agency licensing programs and 95% Washington's cities and towns that offer a general business license. The configurable web-based system is responsive to both business and government needs. Users gain system access with the familiar [Secure Access Washington](#) (SAW) portal and then easily manage business accounts with access to license data that is scalable and exportable.

The Business Licensing Service is supported by dedicated funds directed by statute. BLS collects handling fees for licensing applications, renewals, and delinquencies. Businesses pay a \$5 annual renewal processing for each license location. The \$5 is charged only once per location – not per license.

Example of licenses at a business location:

\$0 – Minor Work Permit

\$25 – City of Anycity General Business License fee

\$25 – Lottery retailer

\$5 – BLS Annual Renewal handling fee

\$55 – total for all licenses at this location for 12 months

Questions?

We also post regular business licensing updates at BLSPartnerPost.com. We are available for your business licensing questions and can help you access Department of Revenue resources. Thank you.

Sincerely,

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