

Business License Discussion – Questions Answered from The Department of Revenue

What business licenses do other cities have?

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

Does the DOR keep the physical address of companies or just the mailing address?

Revenue has both types of addresses. Both types are public information.

Washington licenses businesses by physical location. It would be typical for a Medina business to have a mailing address of a post office box in Bellevue or a registered agent in Olympia that handles its corporate registration with Secretary of State.

Do most jurisdictions set their revenue thresholds based on amount of revenue within that city limits or total revenue?

Our BLS configuration would look at Revenue by business location (essentially what you're saying by "within that city limits").

What percentage of jurisdictions require business licenses for companies doing business in that jurisdiction but are physical located in another city?

Basically, all the roughly 220 cities that we support require a non-resident license registration (one exception, but it's small). Some cities trigger that license with a \$2000 income threshold, but others have that significantly higher (example: \$12000 annual income in that city). And, of course, a city could require business to register but decline to charge an annual license fee if it more concerned with regulatory control than potential revenues.

As for what constitutes a business, Revenue would associate your city license with state tax registrations (UBIs) that have [business activity](#) in Medina.

Essentially any business that:

- is required to report and pay [taxes or fees](#) to Revenue.
- requires [city](#), [county](#), and [state](#) endorsements.
- represents a person using a name other than a legal name.
- will [hire employees](#) within the next 90 days.
- sells a product or provide a service that requires the [collection of sales tax](#).
- has gross income is \$12,000 per year or more.
- is a buyer or processor of specialty wood products.
- meets [Nexus threshold](#) reporting requirements.

BLS will also, track registered taxpayers reporting business in Medina (e.g., contractors), but your city will set compliance standards. You will tell us whether our system will require a Medina non-resident registration in its combined licensing application process. If your council is concerned about getting *revenues* from non-resident businesses, we can set up a system demo for later this year. If Medina just needs tracking on non-resident businesses, a demo isn't necessary and the impact on contractors and similar companies will be negligible.

Flat Fee Model

A template set up to cover all businesses within Medina, with nominal fees across the board. This would require all businesses to carry a license.

What Type of Business Would Require a License?

- Local businesses
- Businesses run out of homes
- Short term rentals
- Contractors or landscapers
- Non-Profits

Fee Structure

- o \$50 license required for all local businesses
- o \$500 license for short term rentals
- o \$50 license required for nonresident businesses with revenue in Medina above \$2000

Waivers for business licenses for all businesses not registered in Medina, and who do less than \$2,000/year within the city. Waivers for Non-Profits as well.

Projected Annual Revenue - \$15,000 - \$25,000

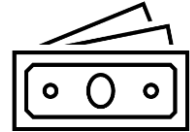


Tiered Revenue Model

This template is meant to maximize revenue for Medina within reason, through tiered fees on a revenue basis 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.

What Type of Business Would Require a License?

- Local businesses
- Businesses run out of homes
- Short term rentals
- Contractors or landscapers
- Non-Profits



Fee Structure

- o \$0 for Non-Profit or businesses with revenue under \$2,000/year
- o \$100 for businesses with revenue between \$2,000 and \$50,000/year
- o \$250 for businesses with revenue between \$50,000 and \$100,000/year
- o \$500 for businesses with revenue over \$100,000/year
- o \$500 fee per year for all short-term rentals

Waivers for business licenses for all businesses not registered in Medina, and who do less than \$2,000/year within the city. Waivers for Non-Profits as well.

Projected Annual Revenue - \$25,000 - \$50,000

