Tax & License Workshop
Licensing Requirements

Deborah Larry
Business License Requirement

• Doing business in the City of Tacoma?
  • All businesses operating in or soliciting business within Tacoma city limits are required to be licensed with the City of Tacoma.

• Renting out your property in the City of Tacoma?
  • If you have a home or a commercial building that you rent or lease within Tacoma city limits, a business license is required.
Before Starting a Business in Tacoma

• If your business is located inside the city limits of Tacoma, you must meet city zoning, fire, and licensing requirements before engaging in business activities.

• Check with these city departments first:
  ✓ Planning and Development Services/Zoning: 253-591-5030
  ✓ Tacoma Fire Department: 253-591-5737
  ✓ Tax & License: 253-591-5252
Business Outside of Tacoma

• The business license may be required for a business located outside of Tacoma if a business engages in nexus establishing activities in Tacoma.

*NEXUS:

The minimum level of business activity or connection with the City of Tacoma, or within the City of Tacoma, that subjects the seller to the taxing jurisdiction of Tacoma.
Business License Fees

- Business license fee is based on companywide (worldwide) gross income.

<table>
<thead>
<tr>
<th>Companywide (Worldwide) Gross Income</th>
<th>Annual License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $12,000</td>
<td>$25</td>
</tr>
<tr>
<td>$12,000 - $250,000</td>
<td>$110</td>
</tr>
<tr>
<td>Over $250,000</td>
<td>$250</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrative Business License Fees</th>
<th>Annual License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch Locations</td>
<td>$25</td>
</tr>
<tr>
<td>Charitable Organizations</td>
<td>$25</td>
</tr>
</tbody>
</table>
When to Register for a Business License

• At the point a business makes its goods or services available for sale.

Or

• Significant steps to engage in business begin, such as manufacturing goods for sale in the future.

Merely considering opening a business does not require a license.
Multiple Business Locations

- If a business has branch locations, each branch location must obtain an annual business license and pay a branch license fee of $25 annually.
Multiple Business Entities

• Each separately organized corporation is a “person” within the meaning of the law.

• Although multiple business entities may be owned by one person or organization, each of the entities must obtain a separate business license and pay annual business license fees assessed based on that entity’s annual gross income.
Specific Business Activity

In addition to a general business license, a regulatory license is required for specific industries. Examples of such industries are:

<table>
<thead>
<tr>
<th>Adult Entertainment</th>
<th>Auto Repair</th>
<th>Burglar Alarms</th>
<th>Busking</th>
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</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Door-to-Door Solicitors</td>
<td>Entertainment/Dance Hall</td>
<td>False Alarms</td>
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<tr>
<td>Fire Alarm/Suppression</td>
<td>Food Trucks</td>
<td>For-Hire</td>
<td>Games/Gambling</td>
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<td>Garage Sales</td>
<td>Gas Stations</td>
<td>Hazardous Materials</td>
<td>Home Occupation</td>
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<tr>
<td>Hotels/Lodging</td>
<td>Marijuana</td>
<td>Massage</td>
<td>Parking Lots/Garages</td>
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<tr>
<td>Pawnbroker</td>
<td>Rental of Real Property</td>
<td>Restaurants/Food Services</td>
<td>Taxi Driver</td>
</tr>
</tbody>
</table>

For more information, please visit [www.cityoftacoma.org/businesslicense](http://www.cityoftacoma.org/businesslicense)
Requirement to Post License

• City of Tacoma business license must be displayed in a conspicuous location at the place of business.

• If the business requires travelling from place to place, then the business license must be carried while engaging in the licensed business.

• Branch locations are also required to display a business license.
Contact Us!
Tax and License Division

747 Market Street
Tacoma, WA 98402

253-591-5252

taxinfo@cityoftacoma.org
licenseinfo@cityoftacoma.org