

FREQUENTLY ASKED QUESTIONS

City of Tukwila Business License Program

Whether you are a new or longtime Tukwila business, the City is pleased that you have chosen Tukwila as the place to operate your business. The City's Licensing Division is available to assist you in your business license application. This "Frequently Asked Question" flyer is intended to help answer questions you may have about the licensing process.

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About the business license application/renewal process

Q: When is a City of Tukwila business license required?

A: As a person or company conducting business within Tukwila city limits, you must obtain a license prior to commencing the business, whether you are operating from a fixed location in the City or from an outside location to provide services within city limits. You may download the business license application for businesses located in Tukwila or the business license application for businesses located outside Tukwila doing work in the City.

Q: How do I apply for a City of Tukwila business license?

A: Application forms are available at the Finance Counter, Tukwila City Hall or may be downloaded from the City's website at <http://www.tukwilawa.gov/> Some applications have additional requirements for approval of the business license, and must be done in person at City Hall, Finance Department, if your business involves one of the following:

- ◆ Adult Cabaret Dancer/Entertainer or Manager
- ◆ Cabaret Dancers/Entertainer or Manager
- ◆ Solicitors and Peddlers

Q: When does my Tukwila business license expire?

A: Your license becomes effective upon issuance and is valid for the calendar year. For example, if you receive your city business license in May 2010, your renewal will be due in January 1, 2011. You will receive a notice from the City to renew in December of each year. Business license fees are not pro-rated.

Q: Can I renew my business license on-line?

A: Yes you can renew on-line. Just set up a user account, complete the required information and pay with a Visa or MasterCard. (You cannot apply for a new license on-line.) To renew go to <https://securepay.tukwilawa.gov/Default.asp?Build=LI.LicensingHome&ClearErrors=Y>

Q: If my business is conducted from my home, do I need a business license?

A: Yes. Home occupations do require a Tukwila business license.

Q: If I'm a subcontractor working for a general contractor, do I need a City business license?

A: Yes. Both you and your general contractor need to obtain a business license from the City.

Q: Will the City issue a business license if I don't have my Washington State Master Business License?

A: No. You must obtain both the state and City business license prior to commencing your business in Tukwila. For state business license information, go to <http://bls.dor.wa.gov/file.aspx>

Q: Is a business license required for a temporary business?

A: Yes. A temporary license is required if you are conducting a business for up to 30 days.

Q: What if I don't obtain a Tukwila business license?

A: A City business license is required prior to starting (opening) your business. Failure to obtain a new license or a renewal for your operating business will subject you to a graduated penalty.

- ❖ 5% Penalty Fee for operating a business for up to 1 month without a valid license. Each additional month delinquent, the Penalty Fee will increase by 5% up to 25%.

Q: Are utilities (telecommunications, cable, electric, natural gas and sanitation) subject to the business license fee?

A: Yes. Utilities are subject to the business license fee, in addition to applicable utility taxes.

About calculating your business license fee

Q: What is the formula to calculate my business license fee?

A: The license fee is calculated on the number of annual hours worked by owners, managers, employees (both full and part-time). If you haven't worked a full year, you will need to estimate hours for a full year.

Q: How do I calculate full-time employees?

A: Take the total annual hours and multiply by \$0.034896. Per Labor & Industries, one full-time person equals 1,920 hours.

Q: How do I calculate temporary employees?

A: Where there are employees who work less than 1,920 hours per year, the total number of hours worked by all such employees during the previous four (4) quarters shall be added together and divided by 1,920.

Q: How do I calculate contract employees?

A: If you hire a contract employee, the company through which you hired the contractor, must obtain a business license. Therefore, contract employees should not be part of your total FTE calculation. However, businesses are required to report temporary employee hours and the name and address of the temporary agency.

Q: If I am my company's only employee, do I need to obtain a city business license?

A: Yes. You would pay the minimum license fee of \$67 which equals one full-time employee. (1920 x \$0.034896)

Q: What exemptions are allowed in the business license program?

A: Generally speaking, non-profit and government organizations are exempt from the business license fee, but still must obtain a business license. In order to be recognized as "non-profit" you will need to submit a copy of your IRS Determination Letter stating your 501c3 status.

About paying for the business license fee

Q: When do I need to pay for the business license fee?

A: Payment for your business license fee is due at the time you submit your initial application. Renewals are due on January 1st.

Q: What payment methods are available to pay for my business license fee?

A: Full payment for your business license fee can be paid by cash, check, and VISA or Mastercard. Installment payments are not available.