



# Business Licenses

The table below lists potential necessary business licenses in order to be in compliance with City, State, and Federal Government. Please read the rest of this guide to determine which licenses are required for your particular business. Additional licenses may be needed depending on the type of business you operate.

Licensing	Estimated Cost	Processing Time	Renewal Needed?
City of Tacoma Business License	\$25 - \$250 (varies per business' annual gross income); \$25 for non-profit	1 – 15 business days	Every year by January 31
City of Tacoma Home Occupation License (Tacoma Home Based Business Only)	\$75	1 – 15 business days	No
State of Washington Business Registration ( <u>only required for Corporations, LLCs, and Limited Partnerships</u> )	\$180 - \$230	2 – 14 business days	Every year
State of Washington Business License	\$19 + \$5 per trade name	2 – 14 business days	No
Federal Identification Number	\$0	1 day online or 5 weeks by mail	No

## CITY OF TACOMA LICENSING

### When is a City of Tacoma Business License required?

A license is generally required at the point a business holds itself out to the public (that is, it makes its goods or services available for sale or use). Merely considering opening a business does not require an individual to license. However, if an individual undertakes substantial steps to engage in business, such as manufacturing an inventory of goods for later sale, sufficient business activity has taken place and a license would be required even though the goods themselves have not yet been sold.

### Is there a minimum threshold before a business is required to get a City of Tacoma Business License?

Yes, if your business is located outside of Tacoma and your annual gross income generated in Tacoma is less than \$2,000, and your business is not subject to regulatory requirements, you do not need to get a City of Tacoma Business License. Otherwise, all businesses located in Tacoma must get a business license, regardless of annual gross income generated.

### When is a City of Tacoma Home Occupation License required?

If you own or operate a business from a residence inside the City you are required to apply for a Home Occupation License in addition to the general business license. A Home Occupation license is required even if the business activity is conducted at another location other than the residence (i.e. construction, massage therapy) and regardless of the amount of revenue the business generates or whether or not the business is a part-time or full-time enterprise.

The Home Occupation license fee is a one-time only fee of \$75. Download the form at [https://cms.cityoftacoma.org/taxlicense/conditional\\_home\\_occupation\\_agreement.pdf](https://cms.cityoftacoma.org/taxlicense/conditional_home_occupation_agreement.pdf)

### Am I required to file Business & Occupation (B&O) taxes with the City of Tacoma?

Businesses that operate in the City of Tacoma that have an annual gross income of \$250,000 or more are required to file and pay local B&O tax. Find out more about [Business & Occupation tax here](#).



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## How do I apply for a City of Tacoma Business License?

There are three options:

- **Online:** use FileLocal: [www.filelocal-wa.gov](http://www.filelocal-wa.gov). Online user fee (\$4) applies. Allow 3 – 5 business days to process your application.
- **Mail:** complete the [Application for City of Tacoma Business License](#) and mail to: City of Tacoma, Tax & License Division, 747 Market St, Room 212, Tacoma, WA 98402-3770. Allow up to 15 business days to receive your license.
- **In Person:** complete the [Application for City of Tacoma Business License](#) and drop off Monday – Friday, 9 am – 4 pm at: 747 Market Street, Room 212. Allow up to 1 hour to process.

## Where can I get more information about City of Tacoma Business Licenses?

Contact the City of Tacoma's Tax & License Office:

- **Email:** [licenseinfo@ci.tacoma.wa.us](mailto:licenseinfo@ci.tacoma.wa.us)
- **Phone:** (253) 591-5252
- **Web:** [www.cityoftacoma.org/taxandlicense](http://www.cityoftacoma.org/taxandlicense)
- **Stop in:** City of Tacoma Municipal Building, 747 Market Street, Room 212

## STATE OF WASHINGTON LICENSING

### Who needs to register with the State of Washington?

If your business is a Corporation, Limited Liability Company (LLC), or Limited Partnership, you must [register your business with the State of Washington](#). If your business is a Sole Proprietorship or General Partnership, you do not need to register your business with the State of Washington.

### When is a State of Washington Business License required?

Businesses are required to obtain a [Washington State Business License](#) if they meet one or more of the following criteria:

- Your business grosses \$12,000 or more per year
- You are doing business using a name other than your full legal name
- You plan to hire employees within the next 90 days
- You sell a product or provide a service that is taxable
- Your business requires specialty licenses

### If I am registered with the State of Washington, do I still need a City of Tacoma business license?

Yes. If you are registered with the State of Washington Department of Revenue, you are still obligated to register and license with the City of Tacoma. City of Tacoma business license requirements are in addition to any State and other jurisdictional requirements.

## FEDERAL LICENSING

### Who needs to apply for a Federal Tax Number with the IRS?

You must obtain an [Employer Identification Number \(EIN\) from the Internal Revenue Service](#) (IRS) unless your business is a sole proprietorship or one-owner LLC and you won't have employees. In that case, you can use your Social Security Number as the business's federal identification number, although many business owners choose not to for confidentiality reasons.

**Each agency has different requirements that are dependent on your business activity and we recommend you contact each of them before starting your business**