

#### STATE OF WASHINGTON

### DEPARTMENT OF REVENUE

OFFICE OF THE DIRECTOR

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December 22, 2020

**TO:** The Honorable Mark Mullet, Chair

The Honorable Perry Dozier

Business, Financial Services & Trade Committee

Washington State Senate

The Honorable Cindy Ryu, Chair The Honorable Matt Boehnke

Community & Economic Development Committee

Washington State House of Representatives

Keith Phillips, Executive Policy Director

Office of the Governor

FROM: Vikki Smith, Director

Washington State Department of Revenue

SUBJECT: 2020 State Agency Business Licensing Information Report

The Department of Revenue (department) is submitting this report to the Legislature and Governor as required by <u>RCW 19.02.055</u>. This law directs 24 state agencies to provide the department's Business Licensing Service with essential information about each agency's business licensing requirements and to update that information each year. The agencies are directed to provide detailed information, including:

Vikki Smith

- A listing of all business licenses issued by the agency.
- A description of the persons and activities for which the license is required.
- The duration of the license and any issuance or renewal requirements.

Each agency must certify annually to the department that the licensing information the agency has provided is complete and current or submit a progress report and explanation. The department must compile the information and submit an aggregate report to the Legislature's

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economic development committees and the Governor by January 1 of each year. Included with the attached report is an appendix, in a spreadsheet format and attached separately, which includes information provided by the responding agencies.

If you have any questions or need the report in an alternate format, please contact Michael Bailey, Legislative and External Affairs Liaison, Executive Division, at (360) 534-1545 or MichaelBa@dor.wa.gov.

#### Attachment

cc: Brad Hendrickson, Secretary, Washington State Senate
Bernard Dean, Chief Clerk, Washington State House of Representatives
Members, Senate Business, Financial Services & Trade Committee
Members, House Community & Economic Development Committee
The Honorable Zack Hudgins, Washington State House of Representatives
The Honorable Norma Smith, Washington State House of Representatives
David Schumacher, Director, Office of Financial Management
Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor
Roselyn Marcus, Assistant Director, Office of Financial Management
Ramona Nabors, Budget Assistant, Office of Financial Management
Rachel Knutson, Budget Assistant, Office of Financial Management



# **2020 State Agency Business Licensing Information**

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# Summary

The Department of Revenue (department) is submitting this report to the Legislature and Governor in response to RCW 19.02.055, enacted in 2013.

This law is intended to promote economic development by providing licensing information to businesses. With that goal, the law directs 24 state agencies to provide the department's Business Licensing Service with updated information about each agency's business licensing requirements annually.

Each agency is directed to provide detailed information including:

- A listing of each business license issued by the agency.
- A description of the persons and specific activities for which the license is required.
- The time period for which the license is issued and any issuance, renewal, or reissuance requirements.
- Other information the department determines necessary to implement this section, including links to the licensing information, application, and instructions on the agency's website, if available.

Each agency must certify annually to the department that the licensing information the agency has provided is complete and up-to-date or submit a progress report and explanation. The department must compile the information and submit an aggregate report to the Legislature and Governor by January 1 of each year.

To ask about the availability of this publication in an alternate format for the visually impaired, please call 360-705-6705. Teletype (TTY) users may use the WA Relay Service by calling 711.



# **Background**

# **Business Licensing Service**

The state's Business Licensing Service (BLS), part of the Department of Revenue, is the state's primary business licensing portal. First established in the 1970s as the Master License Service at the Department of Licensing, the Legislature transferred the program to the Department of Revenue in 2011. As originally envisioned, BLS was intended to provide a convenient, accessible, and timely one-stop service for the business community to acquire and maintain the necessary licenses to conduct business.

BLS is a one-stop business licensing and renewal service for many businesses. For example, a sole proprietor grocery store opening in Richland that registers through BLS can comply with multiple agencies' requirements at once. Using BLS, it can:

- Register with the Department of Revenue, Department of Labor & Industries, and the Employment Security Department.
- Register as a lottery retailer with the State Lottery.
- Obtain retail liquor licenses and cigarette and vapor permits from the Liquor and Cannabis Board.
- Register scales with the Department of Agriculture.
- Obtain a business license from the city of Richland.

As state and city partnerships continue to grow, BLS becomes a one-stop destination for many more businesses. Currently, BLS offers more than 300 licenses from 9 state agencies and over 150 cities using a single, combined application process. BLS is one of the very few systems in the country that allows a business to register with state agencies and get city licenses using the same system.

# **Collecting the information**

In 2020, the department contacted the participating state agencies and asked them to certify that the licensing information submitted in 2019 was still correct, or to provide updates. All 24 agencies provided the department with this information.

# Questions to participating agencies

The participating state agencies answered these questions:

- What is the license name?
- What is the purpose of the license?
- What is the process for submitting the application?
- Where is the application available?
- What is the average time between application and license issuance?
- What are the fees associated with this license?
- Does this license need to be renewed? How often?
- Are there online resources for businesses?
- Is this license available through the Business Licensing Service (BLS) program?



# **Participating agencies**

All 24 agencies responded to the department with the required information in 2020. They are:

- Board of Accountancy
- Department of Agriculture
- Department of Archaeology and Historic Preservation
- Department of Children, Youth, and Families
- Department of Ecology
- Department of Financial Institutions
- Department of Fish and Wildlife
- Department of Health
- Department of Labor & Industries
- Department of Licensing
- Department of Revenue
- Department of Social and Health Services

- Department of Transportation
- Employment Security Department
- Gambling Commission
- Horse Racing Commission
- Liquor and Cannabis Board
- Office of the Insurance Commissioner
- Secretary of State
- State Lottery
- Student Achievement Council
- Utilities and Transportation Commission
- Washington State Patrol
- Workforce Training and Education Coordinating Board

# **Online integration**

The department integrated the information provided by the state agencies into its online Business Licensing Wizard, available on the department's website: <a href="document-size: 40.50%">document-size: 40.50%</a>.

The Business Licensing Wizard is an interactive online resource that takes the user through a series of questions to determine the various business licenses needed. The wizard currently includes information and contacts for hundreds of business activities, extending to most cities and every county in Washington.

By consolidating the information gathered into the wizard, the department has created a more comprehensive online resource for businesses to determine the licenses they need in the state of Washington. After a business steps through the questions in the interactive wizard, they are presented with a guide sheet that includes detailed information and instructions about the licenses they need, along with contact information for non-partner licenses, to help them get set up correctly. The business may send the information to an email address and also use the information they entered into the wizard to pre-populate some of the fields in the online Business License Application.

For an example of a Business Licensing Wizard guide sheet, see pages 5-7. The guide sheet includes a link to the appropriate webpage with more licensing information.

The Business Licensing Wizard guides the customer through the process of getting all required business licenses, permits, and registrations. This "wizard-type" tool for state and city licensing gives Washington businesses the peace of mind that they have met all of their requirements and are ready to successfully start business.

A complete listing of the information provided by the 24 agencies can be found at: <a href="dor.wa.gov/registrations-and-filings-required-for-businesses">dor.wa.gov/registrations-and-filings-required-for-businesses</a>



# Conclusion

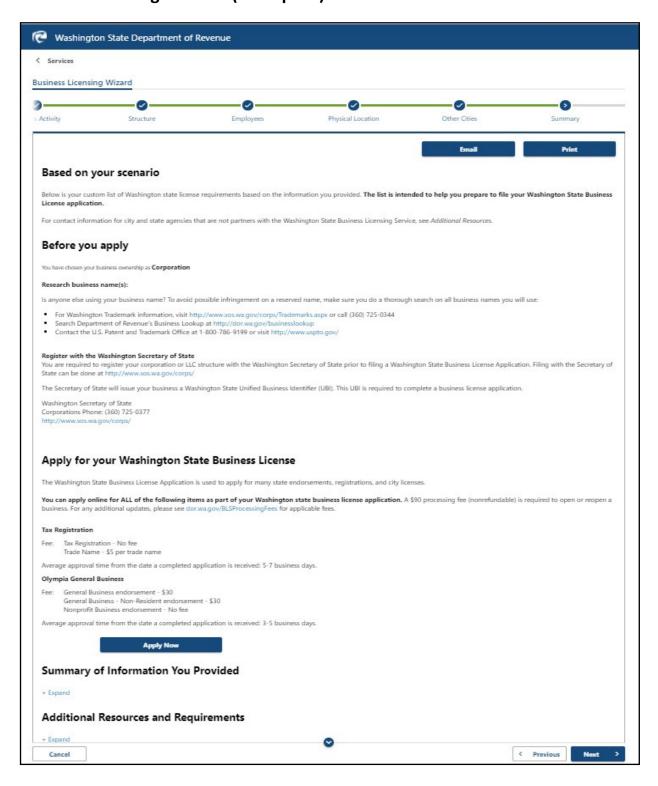
<u>RCW 19.02.055</u> ensures that up-to-date business licensing information for all participating agencies continues to be made available in one place to better serve business' needs.



# Illustrations and examples

<u>Department of Revenue webpage: Registrations and filings required for businesses</u> RCW 19.02.055: Agency reporting requirements

# Business licensing wizard - (Example 1)





# Business licensing wizard - guide sheet (cont.)

## **Employee Information**

You indicated the employee type is: Adults

HIRING EMPLOYEES: All employers are required to report all newly hired and rehired employees to the Division of Child Support (DCS):

Department of Social and Health Services

Child Support Enforcement Phone: 1-800-562-0479

New Hire Reporting - https://www.dshs.wa.gov/esa/division-child-support/new-hire-reporting

You must also retain a completed Federal I-9 form for every employee: U.S. Citizenship and Immigration Services Phone: 1-800-870-3676

http://www.uscis.gov/files/form/i-9.pdf

#### Location Information

BUSINESS AND OCCUPATION TAXES: Washington cities tax private businesses, municipal, and private utility companies within their boundaries. Contact each city in which business will be conducted.

Please be advised that you should contact any incorporated city or any county in which you perform your work to determine if there are additional licensing or zoning requirements. Additional items you need to inquire about are:

- \* A building permit for any construction or modification to a building.
- \* The local codes before making or ordering a sign for your business because cities often restrict location, size, etc.

### **Additional Resources and Requirements**



#### City

You provided the business physical location address: Olympia (Thurston County) WA

BUSINESS AND OCCUPATION TAXES: Washington cities tax private businesses, municipal, and private utility companies within their boundaries. Contact each city in which business will be conducted.

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- \* A building permit for any construction or modification to a building.
- \* The local codes before making or ordering a sign for your business because cities often restrict location, size, etc.

#### County

THURSTON COUNTY, WASHINGTON

Business Licensing Inquiries (unincorporated areas only) Phone: (360) 786-5406

http://www.co.thurston.wa.us/auditor/

PROPERTY AND PERSONAL PROPERTY TAX: You must report your business property, furniture, equipment, supplies, etc., to the assessor of the county in which your business is located. Thurston County Assessor Phone: (360) 786-5410

http://www.co.thurston.wa.us/assessor/



# Business licensing wizard - guide sheet (cont.)

#### State

DEPARTMENT OF LABOR AND INDUSTRIES: Phone: (360) 902-5800 -or- 1-800-547-8367

WASHINGTON STATE DEPARTMENT OF HEALTH:

Health Professions Quality Assurance Division Phone: (360) 236-4700

http://www.doh.wa.gov/AboutUs/ProgramsandServices/HealthSystemsQualityAssurance

SALES TAX INFORMATION: If your business provides a service to customers, you may be required to collect sales tax for that service. Contact the Washington State Department of Revenue for further information regarding sales tax.

Washington State Department of Revenue Phone: (360) 705-6676 or 1-800-647-7706

http://dor.wa.gov/

https://dor.wa.gov/find-taxes-rates/retail-sales-tax/reseller-permits

See specific licensing requirements:

https://dor.wa.gov/registrations-and-filings-required-for-businesses/department-revenue

Go to the Small Business Guide at: http://www.oria.wa.gov/site/alias\_oria/345/our\_business\_services.aspx

You will be provided with step-by-step instructions for planning, starting, operating, running or growing your business in Washington State.

FEDERAL TAX NUMBER: You may need an Employer Identification Number (EIN) also known as federal tax identification number. Internal Revenue Service Phone: 1-800-829-4933

U.S. COPYRIGHT LAWS: If you use or intend to use live or recorded music at your place of business, be aware that all music used in this way is protected by U.S. copyright laws. For information

Business Licensing Service Use of Music

http://bls.dor.wa.gov/music\_use.aspx

American Society of Composers, Authors and Publishers (ASCAP)

Phone: 1-800-505-4052 -or-Broadcast Music Incorporated (BMI) Phone: 1-800-925-8451 -or-Sesac Incorporated Phone: 1-800-826-9996

AFFORDABLE CARE ACT: For information or to apply online for medical health care coverage for business owners and employees visit https://www.healthcare.gov/businesses/

#### FEDERAL FORMS:

Phone: 1-800-829-3676 to order Publication 583 - Starting a Business and Keeping Records

Federal taxes may be paid by electronic transfer. In some cases, payment through electronic transfer is mandatory.

Phone: 1-800-555-4477 -or- 1-800-945-8400 for enrollment forms

You may also file some of your federal tax returns electronically. Phone: 1-800-829-1040 to get information on electronic filing.

#### By Mail

We recommend you to file online but if you choose to apply via mail you may download and print the following forms. Mail completed forms to the address listed on each form. Additional forms may be required by regulatory agencies and jurisdictions previously listed. Contact those agencies directly for the forms you may need.

Completed applications received by mail are processed within 30 business days.

Count	URL
1	https://dor.wa.gov/sites/default/files/legacy/Docs/forms/BLS/700028And31.pdf
1	https://dor.wa.gov/sites/default/files/legacy/Docs/forms/BLS/700060.pdf
1	https://dor.wa.gov/sites/default/files/legacy/Docs/forms/BLS/700032.pdf
	Count  1  1

#### About this Guide



The information produced by this system is updated regularly and is provided only as a guide. These results include contact information and business licensing requirements based on the information that has been provided to Business Licensing Service. Legal requirements and regulations change, and neither the Department of Revenue, nor the State of Washington will be held responsible for any omissions or incorrect referrals.