

STATE OF WASHINGTON

DEPARTMENT OF REVENUE

OFFICE OF THE DIRECTOR

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December 23, 2022

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

Nick Streuli, Executive Director, Policy & Outreach

Office of the Governor

FROM: John Ryser, Acting Director

Washington State Department of Revenue

SUBJECT: 2022 State Agency Business Licensing Information Report

The Department of Revenue is submitting this report to the Legislature and Governor as required by RCW 19.02.055(3). 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:

John Ryser

- 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, which includes information provided by the responding agencies.

If you have any questions or need the report in an alternate format, please contact Steve Ewing, Legislative and External Affairs Liaison, Executive Division, at (360) 534-1545 or SteveE2@dor.wa.gov.

Attachment

cc: Members, Senate Business, Financial Services & Trade Committee
Members, House Community & Economic Development Committee
Sarah Bannister, Secretary, Washington State Senate
Bernard Dean, Chief Clerk, 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
Rachel Knutson, Senior Budget Assistant, Office of Financial Management



2022 State Agency Business Licensing Information

December 2022 Washington State Department of Revenue

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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 RCW 19.02.055, including links to the licensing information, application, and instructions on the agency's web site, 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 1st of each year.

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 registers through BLS to comply with multiple agencies' requirements at once. Using BLS, it:

- Registers with the Department of Revenue, Department of Labor & Industries, and the Employment Security Department.
- Registers as a lottery retailer with the State Lottery.
- Obtains retail liquor licenses and cigarette and vapor permits from the Liquor and Cannabis Board.
- Registers scales with the Department of Agriculture.
- Obtains 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 200 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 2022, the department contacted the participating state agencies and asked them to certify that the licensing information submitted in 2021 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 2022. 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: dor.wa.gov.

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 retain a copy of the Wizard guide sheet by sending it to an email address.

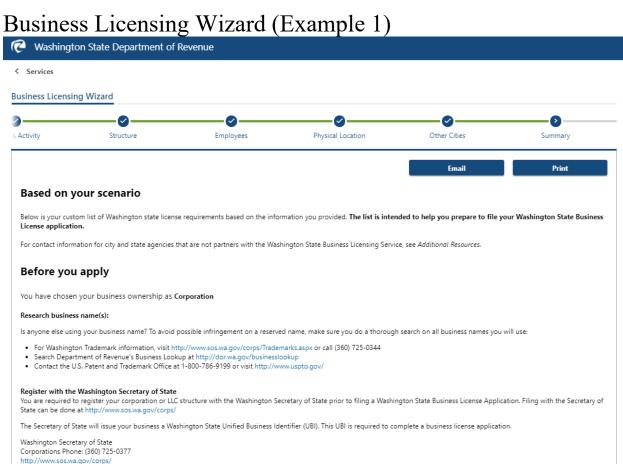
For an example of a Business Licensing Wizard guide sheet, see Pages 8-11. The guide sheet includes a link to the appropriate webpage with more licensing information. An example of an Informational Web Page is shown on Page 12.

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: https://dor.wa.gov/open-business/apply-business-license/registrations-and-filings-required-businesses

Conclusion

RCW 19.02.055's ongoing requirements will ensure that up-to-date business licensing information for all participating agencies continues to be made available in one place to better serve business needs.



Apply for your Washington State Business License

The Washington State Business License Application is used to apply for many state endorsements, registrations, and city licenses.

You can apply online for ALL of the following items as part of your Washington state business license application. A \$90 processing fee (nonrefundable) is required to open or reopen a business. For any additional updates, please see dor.wa.gov/BLSProcessingFees for applicable fees.

Tax Registration

Fee: Tax Registration - No fee Trade Name - \$5 per trade name

Average approval time from the date a completed application is received: 5-7 business days.

Fee: General Business endorsement - \$30 General Business - Non-Resident endorsement - \$30 Nonprofit Business endorsement - No fee

Average approval time from the date a completed application is received: 3-5 business days.

Business Licensing Wizard - Guide Sheet (cont.)

Summary of Information You Provided



Business Activities

The business activity you selected is Adult Daycare.

COUNTY ZONING: If your business is located outside city limits, contact the Thurston County's Permit Assistance Center at (360) 786-5490 for zoning information. http://www.co.thurston.wa.us/permitting/

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.

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.

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

EMPLOYMENT SECURITY DEPARTMENT:

Phone: (360) 902-9650

https://esd.wa.gov/employer-taxes

See specific licensing requirements:

 $https://dor.wa.gov/open-business/apply-business-license/registrations- and-fillings-required-businesses/employment_security$

DEPARTMENT OF LABOR AND INDUSTRIES:

Phone: (360) 902-5800 -or- 1-800-547-8367

http://www.lni.wa.gov/

HOME CARE AGENCY LICENSING:

Washington State Department of Health

Facilities and Services Licensing Division Phone: (360) 236-2900

http://www.doh.wa.gov/Licenses Permits and Certificates/Facilities New Renewor Update/Home Care Agencies Permits New Renewor Update/Permits New Renewor Update/Permits New Renewor Updat

STILL NEED ASSISTANCE?

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

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: 360-705-6705 http://dor.wa.gov/

Reseller Permit

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

See specific licensing requirements:

 $https://dor.wa.gov/open-business/apply-business-license/registrations-and-filings-required-businesses/department_of_revenue$

Federal

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

contact:

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

Internal Revenue Service

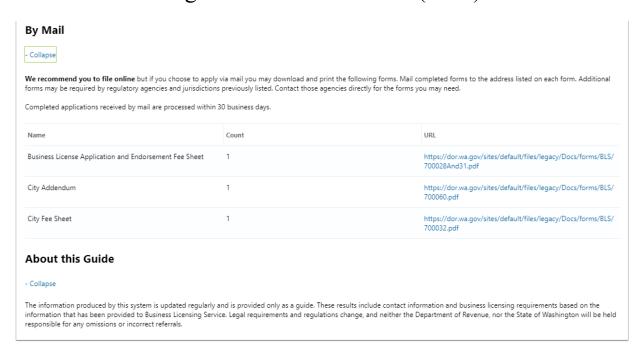
Phone: 1-800-829-3676 to order Publication 583 - Starting a Business and Keeping Records

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.

Business Licensing Wizard - Guide Sheet (cont.)



Informational Web Page (Example 2)

Department of Revenue

You may be required to have a license, registration, or permit from the list below based on the business activity you selected from the Business Licensing Wizard. For more information, please contact the **Department of Revenue at 360-705-6705.**

- Business License Application
- Unified Business ID (UBI)
- Washington State Reseller Permit

Purpose

To allow businesses to make qualifying purchases for resale without paying sales tax.

How to submit

An electronic application can be filed in My DOR. Businesses can request a paper application be mailed to them by calling 306-705-6705.

The application is a brief questionnaire concerning the business activities. It can be filed electronically or a paper application can be faxed or mailed to the Department of Revenue.

Processing time

The Department has set a goal to process applications within 10 business days, however it may take up to 60 days to process an application.

Fees

None

License renewal

Yes. Permits are valid for two or four years, depending on how long the business has been open and whether it actively reports gross income. Permits for all contractors are valid for two years. Permits for all Indian businesses are valid for four years.

Additional resources

Reseller permits became effective January 1, 2010. Previously, self-issued resale certificates were used and no application was required. The Department automatically renews reseller permits for qualifying businesses 90 days before the permit expires. If the permit is not automatically renewed, the business receives a renewal notice.

Approximately, 65% of permits are automatically renewed. See Reseller permits for more information.

RCW 19.02.055: Agency Reporting Requirements



Washington State Legislature

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RCWs > Title 19 > Chapter 19.02 > Section 19.02.055

<u>19.02.050</u> << 19.02.055 >> <u>19.02.070</u>

Print Version | [No disponible en español]

RCW 19.02.055

Agency duties — Information — Certification.

(1)(a) Each agency required to fully participate in the implementation of this chapter under RCW 19.02.050 must provide the department with the name of the agency's coordinator for the purposes of implementing the requirements of this section. Using a format designated by the department, each agency must provide the department with the following information:

- (i) A listing of each business license issued by the agency;
- (ii) A description of the persons and specific activities for which the license is required;
- (iii) The time period for which the license is issued and any issuance, renewal, or reissuance requirements; and
- (iv) Other information the department determines necessary to implement this section, including links to the licensing information, application, and instructions on the agency's web site, if available.
- (b) An agency that issues licenses in accordance with (i) national or federal mandates, requirements, or standards; or (ii) educational standards and an examination, may alternatively comply with this chapter by providing the department with a link to its licensing web site, summary information about the licensing requirements or standards in a format or formats designated by the department, and a designated agency contact.
- (2) In addition to the requirements in subsection (1) of this section, each agency, by November 1st of each year, beginning November 1, 2013, must provide the department with certification on a form designated by the department that all business licensing information submitted by the agency is complete and up-to-date. If an agency has not submitted all the business licensing information required under this section, the agency must instead submit a progress report and explanation to the department.
- (3) The department must compile the information submitted by each agency, and submit an aggregate report to the governor and the economic development committees of the legislature by January 1st of each year, beginning January 1, 2014.

[2013 c 111 § 2.]