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Tel. (703) 778-1292 FAX (703) 778-1293
E-Mail help@alexandriasbdc.org.

HOW TO REGISTER AND LICENSE A BUSINESS IN THE CITY OF ALEXANDRIA

Starting your own business can be a very demanding project. However, we have a five-step process outlined below which will tell you what you need to do to get a business license so that you can begin operating a business. You may call the pertinent offices and ask questions before you actually begin the registration/licensing process.

OVERVIEW

Step 1:

Register Your Business

All corporations (foreign and domestic), limited liability companies, and limited partnerships conducting business in Virginia must register or file with the Virginia State Corporation Commission.

Step 2:

Apply for a Business License

All persons interested in starting a business, including a home-based business, must obtain an application for a business license at the Multi-Agency Permit Center, Room 4200 in City Hall.

Step 3:

Obtain Zoning Approval

All businesses in Alexandria must comply with zoning requirements before conducting business.

Step 4:

Ensure Compliance with Building/Dwelling Code Regulations

The new business should request a Certificate of Occupancy from the Code Administration of the Fire Department, which is also located in the Multi-Agency Permit Center in City Hall. The Code Administration inspects the building or dwelling from which the business is to be conducted.

Step 5:

Calculate City of Alexandria License Tax

Every person beginning a business, profession, or occupation is required to estimate the amount of gross receipts they expect to receive by the end of the current license year. This information is then used to fill out the business license application.

You are now ready to file your:

- Business license application
- Estimated Tax payment

**AND THAT'S IT!
YOU'RE IN BUSINESS IN ALEXANDRIA**

Register your business

Determine your business entity type

To begin any type of new business, you must first decide how you want the business structured. The decision on how to structure a business varies for each owner. You can research business structures on the legal website www.nolo.com, but it is highly recommended that you consult an attorney or an accountant to determine the best structure for your business. Also, the “Business One Stop” is an online service provided by the State of Virginia to help accelerate the formation process for new businesses. The website can be found at (<https://bos.sbsd.virginia.gov/Home/AspiringEntrepreneur>). The most common forms of business entities and their registration requirements are listed below.

❖ Sole Proprietorship

A sole proprietorship is an unincorporated business that is owned and operated by one person. This person receives all the profits and is personally liable for all the losses.

❖ General Partnership

A general partnership is a relationship existing between two or more persons who join together to carry on a trade or business. Each partner contributes money, property, labor and/or skills, and agrees to share in the profits or losses of the business.

General Partnerships complete a Statement of Partnership Authority and file it with the State Corporation Commission. If there is a Statement that has been filed in an office in another state, a duly authenticated copy may be filed with the Commission. The filing fee is \$25.

❖ Limited Partnership

Generally, a limited partnership is created to obtain additional funds. General partners retain control over the management of the partnership and are liable for all debts. Limited partners invest money or property in the business and are entitled to share in the profits, but are not liable for debts beyond their investment. Limited Partnerships (domestic) must file a Certificate of Limited Partnership with the State Corporation Commission and pay a \$100 filing fee.

A limited partnership created under the laws of another state or country is called a foreign limited partnership. It must complete the Application for Registration of Foreign Limited Partnership and register with the State Corporation Commission before it transacts business in Virginia. The filing fee is \$100.

❖ Limited Liability Partnership

A limited liability partnership is a special status that can be registered under a general partnership or a limited partnership. Partners are not individually liable for claims and debts of the partnership as a whole or any other individual partner or employee. However, a partner is still liable for claims and debts as a result of his/her own actions. A limited liability partnership must carry a minimum \$500,000 in liability insurance. The filing fee is \$100 and the annual registration fee is \$50.

❖ Limited Liability Company

A limited liability company is a business entity that is an unincorporated firm of one or more members who own membership interests on their capital contributions. This type of business is intended to be taxed as a partnership while limiting the personal liability of its owners.

The company must file:

- Articles of Organization (if domestic)
- Articles of Organization for a Professional Limited Liability (if professional)
- Application For Registration of a Foreign Limited Liability (if foreign)

with the State Corporation Commission and pay a filing fee of \$100. The annual registration fee is \$50.

❖ **Corporation**

A corporation is an entity with a legal existence apart from its owners. Corporations must comply both with federal and state laws where business is conducted. Corporations are classified as stock or non-stock and domestic or foreign. Every corporation must first register with the State Corporation Commission before beginning its operations in Virginia.

A Subchapter S (or “S”) Corporation is a special form of a regular corporation. It is incorporated as a regular corporation, but asks for special permission from the Internal Revenue Service to be taxed as a partnership.

A new business incorporating in Virginia must file its Articles of Incorporation with the State Corporation Commission and pay a filing fee of \$25. Stock corporations must pay a charter fee based on the number of authorized shares. The charter fee is \$50 for every 25,000 shares or fraction. For over one million shares, the fee is \$2,500. Non-stock corporations (those organized not for profit) pay a charter registration fee of \$25.

Foreign corporations are corporations doing business in Virginia but incorporated elsewhere. In order to transact business or conduct affairs in Virginia, a foreign corporation must apply for a “Certificate of Authority to Transact Business in Virginia” from the State Corporation Commission. The fees are the same as for domestic corporations (above).

All corporations doing business in Virginia must register annually with the State Corporation commission and pay a fee. Stock corporations pay a \$50 fee for 5,000 or fewer shares. They must also pay \$15 for each additional 5,000 or fewer shares for a maximum fee of \$850. Non-stock corporations pay an annual fee of \$25.

Trade Name and Partnership

All businesses in Alexandria that use trade names and all general partnerships must register with the State Corporation Commission (SCC) before they can transact business in Virginia. A trade name (also known as DBA – doing business as – or fictitious name) is the use of any name other than your own for business purposes. The link to the State Corporation Commission website where you apply for the DBA (trade name) is <https://scc.virginia.gov/pages/Forms-and-Fees>. Scroll down to the bottom of the page where you see Fictitious names. If you will be a Sole proprietor then choose the first form, “Certificate of Assumed or Fictitious Name – Business Conducted by an Individual”. If you choose to be a LLC, or Corporation then it is the second form, “.....Business conducted by an Entity”. The fee for this form is \$10.

Franchise Registration

Franchises must be registered with the Division of Securities & Retail Franchising of the State Corporation Commission before they may be offered or sold in Virginia.

Trademarks

Trademarks owned or used in Virginia may be registered by filing an application and a filing fee of \$30 with the Division of Securities & Retail Franchising of the State Corporation Commission.

Virginia State Corporation Commission:

Clerk's Office
P.O. Box 1197
Richmond, VA 23218-1197
PHONE (804) 371-9733
FAX (804) 371-9918
<http://www.scc.virginia.gov/clk>

Division of Securities & Retail Franchising
1300 East Main Street
Richmond, VA 23219
PHONE (804) 371-9051
FAX (804) 371-9911
<http://www.scc.virginia.gov/srf>

STEP 2:

Apply for a business license

After registering the business entity, all persons interested in starting a business must obtain a business license application from the:

Multi-Agency Permit Center One-Stop-Shop
301 King Street, City Hall, Room 4200
Alexandria, VA 22314
PHONE (703) 746-4200
FAX (703) 519-3418

Applications must be submitted in person, but the form can be downloaded from the following website
<http://alexandriava.gov/businesstax>.

STEP 3:

Obtain Zoning Approval

All businesses in Alexandria must obtain zoning approval before conducting business. Applications for business licenses can be obtained at the Multi-Agency Permit Center and will be reviewed by the Zoning Division of the Alexandria Department of Planning and Zoning.

Site Considerations

The choice of location is important to the success of your business and should be determined early in the planning process. Site requirements will vary depending on the type of goods or services offered by the business. You should outline the business' needs and select a site, which best meets these requirements. Further, you must consider location in regard to customers, suppliers, employees, and government regulations. **The Alexandria Economic Development Partnership is a very valuable resource to assist you in your search. Real Estate listings of available commercial space are listed on the homepage of their website, and a wealth of additional information including location considerations, demographics and Alexandria Asset Base information can be found by clicking on "Community Data" on their homepage.**

Alexandria Economic Development Partnership
601 Prince Street
Alexandria, VA 22314
PHONE (703) 739-3820 FAX (703) 739-1384
www.alexandriaecon.org

Zoning Requirements

The Alexandria Zoning Ordinance regulates the location, type and size of businesses allowed to operate within the City. The Ordinance controls not only which uses are allowed in which zones but also the size

and height of buildings and parking requirements. Before you consider a specific location or address for your business, you need to check the Zoning Ordinance or contact the Alexandria Department of Planning and Zoning to make sure you know whether your business will comply with zoning regulations.

Each of the residential, commercial, office and industrial zones has a list of permitted uses. Some of these uses are allowed without the imposition of special approval. There is another set of uses within each zone, which are permitted only with a Special Use Permit (SUP). For further information regarding zoning issues, contact:

Alexandria Department of Planning and Zoning
Zoning Division
301 King Street, City Hall, Room 2100
Alexandria, VA 22314
PHONE (703) 746-4333 FAX (703) 838-6393
<http://alexandriava.gov/Planning>

Home-based businesses

A limited number of home occupations are permitted in residential zones subject to stringent conditions. Teachers, accountants, architects, musicians, artists, consultants, insurance brokers and realtors, for example, can operate from their homes as permitted uses, but they must comply with certain conditions, including that no customers or clients are permitted to come to the site.

There are a number of conditions that apply to home occupations. Please check with the City's Zoning Division at the address shown below for a complete and accurate listing of all conditions affecting home occupations before you make any decision to proceed with operating a business in your home.

Alexandria Department of Planning and Zoning
Zoning Division
301 King St., City Hall, Room 2100
Alexandria, VA 22314
PHONE (703) 746-4333 FAX (703) 838-6393

STEP 4: ***Ensure compliance with building/dwelling*** ***Code regulations***

File for Certificate of Occupancy

Staff in the Multi-Agency Permit Center will determine if a **Certificate of Occupancy (CO)** is needed for the proposed business. In addition to an application for a CO, plans for changes in use, in whole or in part, and fire prevention permits may be required. Fees for COs vary depending on the type of use and square footage. The minimum fee is \$150 and the maximum fee is \$500.

Before opening for business, in accordance with The Uniform Statewide Building Code, a **Certificate of Occupancy (CO)** is required for:

- ✓ new construction;
- ✓ a change of use when the new use requires a greater degree of structural strength, fire protection, means of egress, ventilation or sanitation;
- or

- ✓ Upon written request by the property owner.

The CO ensures that the premises comply with all applicable codes and ordinances. Inspectors from Code Administration, Planning and Zoning, Transportation and Environmental Services and the Health Department may require an inspection of the premises. It is advisable to file and pay for a CO at the beginning of the permit review process so as not to delay the inspection process. Inspection requests must be coordinated among several agencies and usually take 3-5 days to complete. Please allow for this time frame when planning a "Grand Opening" event. It is recommended that the Code Administration be contacted approximately two weeks prior to a scheduled opening to determine the progress of the project and to ensure that inspections are scheduled.

In addition to the regular plans review process, the City of Alexandria now offers the Multi-Agency Permit Center where representatives from Planning and Zoning, Transportation and Environmental Services, Finance, and the Code Administration meet to guarantee efficient processing, review the plans, and provide the required City permits and licenses. For more information on the Multi-Agency Permit Center, contact:

Permit Center (One Stop Shop)
Office of Building and Fire Code Administration
301 King Street, Suite 4200
Alexandria, VA 22314
(703) 746-4200

Obtain a construction permit

What if you need to undertake construction or renovate your place of business before you move in?

All new construction and alterations/tenant improvements involving building, electrical, plumbing, mechanical and fire protection work require permits. To obtain a permit, an application and five sets of well prepared, scaled drawings must be submitted to the Office of Code Administration located in the Permit Center. The proposed work must be reviewed and approved by Planning and Zoning, Transportation and Environmental Services, Code Administration and, depending on the type of business, the Health Department. When a health Department review is required, six sets of plans must be submitted. Before work may begin, the plans must be approved and the permits issued for each category of work to be undertaken. Plans for new construction are reviewed only after the site plan process is complete. The City of Alexandria also offers a "One-Stop Shop" where representatives from Planning and Zoning, Transportation and Environmental Services, and Code Administration meet on Wednesdays, from 8:30 a.m. to 1 p.m., to expedite building permit approvals for commercial tenant improvements. Only certain use groups and tenant sizes are eligible for the "One-Stop Shop" review, and appointments are required (703-746-4200).

Construction permits are issued to property owners, licensed contractors, lessees, architects or engineers. Contractors must be licensed by the state and must either possess an Alexandria business license or be registered as a reciprocity contractor with the Alexandria Business Tax Office. For plumbing, electrical and mechanical trade work, the master tradesman must sign the permit application. A permit becomes invalid if the work is not begun within six months of issuance or if the permit remains dormant for six months. Inspections are the only way to validate ongoing work. The listed Property Owner is considered the Permit Holder.

It is the responsibility of the permit holder to request inspections in accordance with the Uniform Statewide Building Code (USBC). At minimum, inspections must be conducted before work is concealed and upon completion. Staff from Code Administration and the Department of Transportation and Environmental Services may conduct unscheduled, on-site inspections while the work is in progress. Once all

construction and trade work has been completed, final inspections for each issued permit must be requested and approved before the Certificate of Occupancy can be issued.

For more information on when a construction permit, trade permit and/or Certificate of Occupancy are needed and how to apply, contact:

Code Administration
301 King Street, Suite 4200
Alexandria, VA 22314
PHONE (703) 746-4200
FAX (703) 838-3880

Or

Call the 24-hour "ACCESS" to schedule or cancel inspections (703) 838-4900

Inspections and Inspector Contact Information can be viewed online at
www.alexandriava.gov/code

Certain businesses must obtain a hazardous use permit, which must be kept on the premises inspected by the Code Administration. Applications for Fire Prevention Permits (FPP) are also available at the Code Administration Office in the Permit Center at the above address.

STEP 5:

Business tax requirements

City of Alexandria License Tax

Businesses, professionals, and occupations that meet all qualifications and legal requirements are eligible to obtain business licenses upon application and payment of the license tax. Everyone doing business in the City of Alexandria is required to pay an annual tax on gross receipts earned in the City. Each start up business is required to estimate the gross receipts they expect to receive between the date of beginning business and the end of the current license year (December 31) which will be the basis on which the license tax is computed. The estimated license tax is adjusted at the end of the tax year to reflect the business' actual gross receipts. If the taxpayer overestimates, they are given a credit on the license tax payable in the following year. If the taxpayer underestimates, that amount will be added to the license tax for the succeeding year.

During the first year of operation, businesses that estimate gross receipts of less than \$100,000 do not owe a tax, but still must file to obtain a license. Businesses with gross receipts between \$100,000 and \$1,999,999 expend a flat fee of \$50. For those businesses that estimate \$2,000,000 or more in gross receipts, their fee is determined by the tax rate for the business category.

After the first year of operation, businesses are taxed on prior year gross receipts. Those whose license basis does not exceed \$9,999 do not owe a tax. They still must file, however, to obtain a license. Businesses with gross receipts between \$10,000 and \$99,999 pay a flat fee of \$50. For businesses with annual gross receipts of \$100,000 or more, the tax owed is based on the tax rate for the business category.

Businesses, professions and occupations must file a license renewal application every year and pay the license tax by March 1 of each year. Businesses that are begun after January 1 must file the application and pay taxes immediately at the Permit Center. The business license renewal application and tax payment should be mailed to:

City of Alexandria Business License

P. O. Box 34580
Alexandria, VA 22334-0850
PHONE (703) 746-3903
FAX (703) 706-3996

Federal, State, and Local Taxes

Your business will also be subject to various federal, state and local taxes in addition to the business license tax already mentioned. The most common taxes that Virginia businesses pay are listed below. No single business will of course be affected by all of these tax categories. The IRS publishes "Publication 334, Tax Guide for Small Business," available free from any IRS office. It provides extensive information on the federal tax laws affecting most businesses.

The following are State of Virginia and City of Alexandria taxes:

State Income Tax:

Corporate Income Tax
Individual Income Tax

State Employer Taxes:

Employer Income Tax Withholding
Employer Unemployment Tax

State General Business Taxes:

Litter Tax
Motor Vehicle Fuel Tax
Retail Sales & Use Taxes

City of Alexandria Taxes

- Business License Tax (described above)
- Business Tangible Personal Property Tax (all businesses)
- Vehicle Personal Property Tax
- Restaurant Meal Tax (see below)
- Bank Franchise License Tax
- Cigarette Tax
- Daily Rental Tax
- Local Sales Tax
- Motor Vehicle License Tax
- Public Utilities Tax
- Real Estate Tax
- Recordation Tax
- Utility Tax

- Transient Lodging Tax

Restaurants: Any person or group of persons, corporation, company, association, firm or co-partnership that sells food and drink to be consumed by the purchaser at one time must collect a City tax on the meal. This tax is in addition to the State sales tax. Every entity collecting the tax must file a report with the City on taxes collected on meals. The report and payment of the taxes collected should be filed with Tax Services & Enforcement within thirty (30) days of the month of collection.

For more information on the City of Alexandria taxes contact:

Tax Services & Enforcement
301 King Street, City Hall, Room 1700
Alexandria, VA 22314
PHONE (703) 746-3903
FAX (703) 706-3996

State licensing

The State of Virginia regulates certain businesses, occupations, and professions by requiring that they be licensed before beginning operations in the state. Entry into each profession is regulated by respective Virginia regulatory bodies, which establish minimum standards for education and training and may require an oral or written examination. The various departments, boards, councils and commissions that you may need to contact for licenses or permits are listed in the *COMMONWEALTH OF VIRGINIA BUSINESS REGISTRATION GUIDE*.

The *Business Registration Guide* can be found on the State of Virginia website at www.scc.virginia.gov/clk/files/brg.pdf.

Contractor Registration

Contractors must register their business both with the state and with the city government. To solicit, bid on, or undertake a job, contractors must possess a contractor's license (Class A, B or C) issued by the State Board for Contractors. In addition, unlicensed contractors and contractors that possess a Class B or C license must also obtain a City of Alexandria Home Improvement Contractor's License before soliciting or performing work on any residential property. All contractors are required to obtain a business license before doing business in Alexandria. Any contractor having a home office in Virginia and doing less than \$25,000 of work annually in Alexandria may use a valid business license from another jurisdiction upon approval from the Business Tax Office at the following address:

Business Tax Office
301 King Street, City Hall, Room 1700
Alexandria, VA 22314
PHONE (703) 746-3903
FAX (703) 706-3996

For state registration information, contact:

State Board for Contractors
9960 Mayland Drive, Suite 400
Richmond, VA 23233-1463
PHONE (804) 367-8500

Office of Code Administration

301 King Street, Suite 4200
Alexandria, VA 22314
PHONE (703) 746-4200

Many Other Occupations that require state licensing and the responsible Virginia agency are listed below. Various Trade Certifications may also be offered by each of the agencies.

Alcohol Beverage Control Board

The Alcohol Beverage Control Board licenses businesses involved in the production, distribution, storage, transportation and/or sale of alcoholic beverages.

Contact:

Alcohol Beverage Control Board

2901 Hermitage Road
P.O. Box 27491
Richmond, VA 23261-7491
PHONE (804) 367-0605
FAX (804)367-0622

Department of Education

For licenses involving the following professions:

- Guidance Counselor
- Public School Administrator
- Teacher

Contact:

Office for Teacher Licensure

P.O. Box 2120
Richmond, VA 23218-2120
PHONE (804) 225-2020
FAX (804) 225-2831
E-MAIL (pitts@pen.k12.va.us)

Department of Health Professions

For licenses involving the following professions:

- | | | |
|--|--|--|
| <input type="checkbox"/> Audiology | <input type="checkbox"/> Nursing | <input type="checkbox"/> Professional Counselors |
| <input type="checkbox"/> Dentistry | <input type="checkbox"/> Nursing Home Administrators | <input type="checkbox"/> Psychology |
| <input type="checkbox"/> Funeral Directors/
Embalmers | <input type="checkbox"/> Optometry | <input type="checkbox"/> Social Work |
| <input type="checkbox"/> Medicine | <input type="checkbox"/> Pharmacy | <input type="checkbox"/> Speech Pathology |
| | | <input type="checkbox"/> Veterinary Medicine |

Contact:

Department of Health Professions

6606 W. Broad Street, 4th Floor
Richmond, VA 23230-1717

PHONE (804) 662-9900
FAX (804) 662-9943
<http://www.dhp.virginia.gov/>

Department of Professional & Occupational Regulation

For licenses involving the following professions:

- | | | |
|--|---|--|
| <input type="checkbox"/> Architects | <input type="checkbox"/> Cosmetologist | <input type="checkbox"/> Polygraph Examiner |
| <input type="checkbox"/> Asbestos Occupations | <input type="checkbox"/> Employment Agency | <input type="checkbox"/> Real Estate Agent |
| <input type="checkbox"/> Auctioneer | <input type="checkbox"/> Engineer, Professional | <input type="checkbox"/> Real Estate Appraiser |
| <input type="checkbox"/> Barber | <input type="checkbox"/> Geologist | <input type="checkbox"/> Soil Scientist |
| <input type="checkbox"/> Branch Pilot | <input type="checkbox"/> Hearing Aid Specialist | <input type="checkbox"/> Water/Wastewater |
| <input type="checkbox"/> Certified Interior Designer | <input type="checkbox"/> Landfill Operator | <input type="checkbox"/> Works Operator |
| <input type="checkbox"/> Certified Public Accountant | <input type="checkbox"/> Land Surveyor | |
| <input type="checkbox"/> Contractor | <input type="checkbox"/> Optician | |

Contact:

**Department of Professional
& Occupational Regulation**
3600 W. Broad St., 5th Floor
Richmond, VA 23230-4917
PHONE (804) 367-8500
FAX (804) 367-2475
<http://www.dpor.virginia.gov/>