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## Zoning Approval

All persons seeking to operate a business in Gloucester County must obtain zoning approval from the Office of Planning and Zoning **prior to applying** for a business license. This includes home-based businesses, but does not include contractors without a situs in Gloucester County who are required to obtain a business license, when their gross receipts will exceed \$25,000 annually in Gloucester. You may contact the Planning and Zoning office by calling (804) 693-1224 for additional instructions or information.

## Health Department

If you intend to sell prepared food and beverages, you must first obtain approval from the Gloucester County Health Department. A letter stating they have approved your activity must be presented at the time of application for business license. To further understand their requirements related to food and/or beverage sales you should contact their office at (804) 693-6130.

## Clerk of Circuit Court

If your business intends to use a trade name different than the owner(s) name then you are required by Virginia Code to register such name with the Clerk of Circuit Court **before applying for a business license**. The certificate you will be required to file is identified as a Fictitious or Assumed Name Certificate. Corporations, Limited Partnerships, and Limited Liability Companies are not required to file with the Clerk of Circuit Court unless they have a trade name different than their name registered with the State Corporation Commission. For additional information on filing a Certificate of Fictitious or Assumed Name contact the Clerk of Circuit Court at (804) 693-2502.

## State Corporation Commission

If you intend to operate your business as a General Partnership, Limited Partnership, Limited Liability Company, Trust or Corporation you must first register those entities with the Clerk of the State Corporation Commission prior to applying for a business license. To obtain additional information

on how to register your business you may visit the State Corporation Commission website at [www.scc.virginia.gov](http://www.scc.virginia.gov).

## Taxpayer Identification Number

Some but not all businesses are required to obtain Federal and State taxpayer identification numbers. If your business intends to operate as a Partnership, Trust, Limited Liability Company, or Corporation and/or intends to employ staff then you must register and obtain identification numbers prior to obtaining a license and beginning business. The Federal Identification Number may be obtained by filing Form **SS-4** with the Internal Revenue Service. For additional information on obtaining a Federal Identification Number please visit their website at [www.irs.gov](http://www.irs.gov). A state identification number may be obtained by filing Form **R-1** with the Virginia Department of Taxation. For additional information on state registration please visit their website at [www.tax.virginia.gov](http://www.tax.virginia.gov).

## Business License

After you have obtained zoning and health department approvals, registered your business with either the Clerk of Circuit Court or State Corporation Commission and obtained, if required, your Federal and State Identification Numbers you may then apply for a business license with the Commissioner of the Revenue. A Gloucester County business license must be obtained prior to opening a business. In accordance with the Virginia Code and Gloucester County Code all businesses must renew their license and remit payment on or before **March 1** of each calendar year.

## Excise Tax

If your business intends to sell Prepared Food and Beverages and/or intends to engage in Transient Lodging, then you must register with the Commissioner of the Revenue prior to beginning such activity in Gloucester County. Businesses collecting one or more excise taxes must file and remit all taxes collected monthly on or before the 20<sup>th</sup> of each month. Those businesses that may collect excise taxes on an irregular basis must still

file in months where no activity exists to ensure proper identification of those otherwise delinquent.

## Retail Sales and Use Tax - State Taxation Issues

Those businesses engaging in retail and/or wholesale sales, employing staff and/or operating a business in the Commonwealth of Virginia should visit the Virginia Department of Taxation website and ensure you are in compliance with all state tax laws. For additional information visit their website at [www.tax.virginia.gov](http://www.tax.virginia.gov).

- If you are a retail or wholesale merchant you are required to register for a sales and use tax number from Virginia Department of Taxation.
- Those businesses intending to employ staff must register and file/remit employee withholding taxes as required by the Department.
- If your business operates as a Partnership, Trust, Limited Liability or Corporation you are required to register with the Department.

To register you must file Form R-1 with the Virginia Department of Taxation.

## Workers Compensation Insurance

Any employer who has three or more regular employees is required by law to furnish workers compensation insurance coverage. Visit the Virginia Worker's Compensation Commission website at [www.vwc.state.va.us](http://www.vwc.state.va.us) for more information.

## Virginia and Federal Unemployment Tax

In order to determine whether your business is liable for Virginia Unemployment Tax and/or Federal Unemployment Tax you may wish to contact the Virginia Employment Commission. They may be contacted by visiting their website at [www.vec.state.va.us](http://www.vec.state.va.us).

## Withholding Taxes

Businesses with employees are also required to file employee withholding taxes with the Federal

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Government. You can obtain forms and information regarding withholding taxes at [www.irs.gov](http://www.irs.gov).

### **Business Tangible Personal Property**

Businesses located in Gloucester County are required to file a Business Tangible Personal Property form listing all tools and equipment that are owned and/or used in your business as of January 1 along with the associated cost and date acquired for each item. The filings are due by **March 1** each year. Items to list include equipment, trailers, office furniture, office trailers, computers, heavy construction equipment, machinery, tools, boats, vehicles, farm equipment, etc. The items to list are not limited to these items only. In accordance with the Code of Virginia Sec. 58.1-3519 this office is required to assess all business property located within the county as of January 1 of each calendar year. In accordance with this statute the failure to file a return requires this office to estimate the value of your property and tax you accordingly.

### **Business License FAQ's**

**Do I need a business license?** Generally, if you are receiving monetary compensation for products sold or services rendered you will need a business license.

**Is there a minimum amount of income I can receive before I must obtain a business license?** If you are receiving income for products sold or services rendered you will need a Gloucester County business license. Direct sellers, i.e. Avon, Tupperware, etc. are exempt from the business license fee if the gross receipts are less than \$4,000 per year.

**If I am operating the business from my home, do I need to contact zoning?** Yes, everyone must contact zoning before a business license will be issued. If the business is conducted from your home you must obtain approval for a home occupation in Gloucester County.

### **Business License Rate Schedule**

Class CO – Contractor = \$10.00 for Gross Receipts of \$10,000 or less; \$50.00 for Gross Receipts of more than \$10,000 but less than \$100,000; 0.10 per \$100 of Gross Receipts of \$100,000 or more

Class FS – Financial Services = \$10.00 for Gross Receipts of \$10,000 or less; \$50.00 for Gross Receipts of more than \$10,000 but less than \$100,000; 0.10 per \$100 of Gross Receipts of \$100,000 to \$250,000; 0.30 per \$100 of Gross Receipts exceeding \$250,000

Class FT – Fortune Tellers, Clairvoyant, Palmistry = \$500 fee

Class IM – Itinerant Merchants of all types = \$200 fee

Class MP – Massage Parlor = \$1,000 fee

Class PE – Peddlers of all types = \$200 fee

Class PS – Professional Services = \$10.00 for Gross Receipts of \$10,000 or less; \$50.00 for Gross Receipts of more than \$10,000 but less than \$100,000; 0.10 per \$100 of Gross Receipts of \$100,000 to \$250,000; 0.30 per \$100 of Gross Receipts exceeding \$250,000

Class RE – Real Estate Services = \$10.00 for Gross Receipts of \$10,000 or less; \$50.00 for Gross Receipts of more than \$10,000 but less than \$100,000; 0.10 per \$100 of Gross Receipts of \$100,000 to \$250,000; 0.30 per \$100 of Gross Receipts exceeding \$250,000

Class RM – Retail Merchant = \$10.00 for Gross Receipts of \$10,000 or less; \$50.00 for Gross Receipts of more than \$10,000 but less than \$100,000; 0.10 per \$100 of Gross Receipts of \$100,000 to \$250,000; 0.20 per \$100 of Gross Receipts exceeding \$250,000

Class SE – Services- \$10.00 for Gross Receipts of \$10,000 or less; \$50.00 for Gross Receipts of more than \$10,000 but less than \$100,000; 0.10 per \$100 of Gross Receipts of \$100,000 to \$250,000; 0.20 per \$100 of Gross Receipts exceeding \$250,000

Class TE – Telegraph and Telephone Companies = ½ of 1 percent of gross receipts

Class WA – Water or Heat, Light and Power Companies = ½ of 1 percent of gross receipts

Class WS – Wholesale Merchants of all types = \$10.00 for Gross Purchases of \$10,000 or less; \$50.00 for Gross Purchases of more than \$10,000 but less than \$100,000; 0.05 per \$100 of Gross Purchases exceeding \$100,000

# **Gloucester County New Business Guide**



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