

Business License FAQs

Do I need a license to operate my business in the City of Richmond?

YES, in most cases any person, firm, corporation, LLC or other form of business entity is required to obtain a business license before they begin conducting business in the City of Richmond. For more detailed information regarding the activity in which you will be engaged and a determination concerning its taxable status, please contact our Assessment Office at 804-646-7000.

When must I get a business license?

A new business is required to obtain a business license prior to beginning business in the City. A business that is renewing its business license must do so before March 1.

What is the cost of a business license?

The cost of a business license depends on several factors: (1) the "gross receipts" of the business and (2) the nature of the business activity, or activities, in which the business is engaged.

Gross Receipts	Business License Cost
\$5,000 or less	\$0.00
\$5,001- \$99,999	\$30 License Fee
\$100,000+	Gross receipts x tax rate applicable to business type

What are the types of business subject to the BPOL tax and what are the tax rates applicable to each one?

The major business types are noted in the table below. However, there are other business types that have fixed rate licenses, including but not limited to, Beer & Wine and Mixed Beverage licenses, Itinerant Merchants, Peddlers & Sidewalk Vendors and Public Dance Halls. Fixed rate licenses may be in addition to the license applicable to one of the business types noted below.

Business Types	Tax Rate Per \$100 of Gross Receipts
Retailers	\$.20
Financial, real estate & professional services	\$.58
Personal or business services	\$.36
Wholesalers	\$.22
Contractors	\$.19

What if my business is involved in more than one type of business activity?

Each business location and each business activity is subject to the business license tax. A business engaged in more than one activity, e.g. retail and wholesale, may elect to report all of their receipts at the higher rate category instead of separating the receipts and reporting them by each individual category.

What information do I need to have to apply for a business license?

- **Name in which business is to be licensed** (licensee name). For example, ABC Corp., Jones Brothers LLC, Bob Jones (sole proprietor) or Smith and Jones (partnership).

- **Trade name of business**, if different than name of licensee. Businesses operating under a name other than that of the licensee must register the business name with the Richmond Circuit Court. If the trade name is not registered with the court, we can only process the business license application in the name of the licensee.
- **Address** where business is to be located. If there is a mailing address different than the business address, we will need the mailing address as well. Note: A business with multiple locations requires a business license for each location.
- **Type of business**. Describe the nature of the business you will be conducting in the City of Richmond. The more accurately you describe the nature of your business, the more accurate we can be in establishing your business in the proper type and class for tax purposes.
- **ID number**. Depending on the type of business, the ID number may be your Social Security number or a Federal EIN issued by the Internal Revenue Service.
- **Begin Business Date**. The date on which the business started operating or will begin operating in the City of Richmond.
- **Business Entity Type**: Individual, Partnership, Corporation, Other (LLC, LLP)
- **Zoning Certificate**. We communicate with the Department of Planning and Development Review to ensure that anyone seeking to obtain a business license complies with the zoning laws in the City before we issue a business license. Virginia law also requires that we do this.
- **Contractors**. You are required to complete the Virginia Workers' Compensation Insurance regulations before we issue you a business license. Any contractor who accepts a project of \$1,000 or more must register with the State Board of Contractors. A city business license is not a substitute for the Virginia Contractor's License. **Note**: A non-City contractor who performs work in excess of \$25,000 during the calendar year is required to report those receipts and obtain a business license with the City of Richmond.
- **Permit(s) Required** – Depending on the nature of the business to be conducted, one or more of the following permits may also be required prior to the issuance of a business license:
 - **Building Permits for Contractors**
 - **Health Permit** – Restaurants and other Vendors selling food to the public, etc
 - **ABC License** – Businesses selling alcoholic beverages that are required to obtain an ABC License from the Virginia Alcoholic Beverage Control Board.
 - **Public Dance Hall Permit** – Requires an application to the CAO and the payment of a separate, nonrefundable processing fee of \$100.00, plus other information regarding the applicants, managers and others responsible for the operations of the public dance hall, prior to issuance of a business license.
- **Financial Data**. Initially, most businesses must estimate their gross receipts for tax purposes. This is the amount of revenue you expect to earn from the begin business date to the end of the tax year, December 31. Until the business has been in business for a full calendar year, it will estimate the receipts for the second year as well.
- **Beginner's Adjustments**. Businesses that have estimated their gross receipts for business license tax purposes will report the actual receipts earned during the period of the estimate and either pay any additional tax that may be due, if the actual receipts are greater than the estimate, or receive a refund should the actual receipts be less than the estimate on which they based their tax payment.
- **Signature**. Your signature on the application is necessary as you are attesting to the accuracy and truthfulness of the statements and information on the application.