



STARTING YOUR BUSINESS

IN

FLAGLER COUNTY

PREPARED FOR THE

FLAGLER CHAMBER OF COMMERCE

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LOCAL BUSINESS TAX RECEIPTS AND PERMITS

Introduction

As part of establishing your business in Flagler County, you must obtain a City Business License, and in some cases you may be required to also obtain a Zoning permit. Once these are obtained, you then need to apply for a Local Business Tax Receipt from the Flagler County Tax Collector.

Local Business Tax Receipt (LBTR)

Most counties and cities require businesses to have a LBTR. This applies to both full and part time businesses. If both city and county issue licenses, two licenses may be required for businesses located in the city limits. Rules vary depending on the city and county. **It is important to apply for the city license first.** Businesses must comply with all zoning requirements before being issued a LBTR.

The annual fee varies, depending on the occupation and, in some cases, the size of the business. Licenses must be renewed annually

Zoning Permits

A zoning permit allows operations of a certain type of business at a certain location. Zoning approval usually must be obtained prior to receiving a LBTR. If you will be working out of your home, a special permit or a zoning exception or variance is usually necessary in all cities and counties. A building permit or building inspection is required of all construction projects or reconstructed buildings.

Zoning certification is usually processed at no charge. Building permit fees are based on estimated cost and size of construction. Fees for zoning variances and exceptions vary.

www.flaglercounty.org

Local Business Tax Receipt: Flagler County		Zoning Permits: Flagler County	
Flagler County www.flaglertax.com		Flagler County	
1769 East Moody Blvd. Suite 105 Bunnell, FL 32110	386-313-4160	1769 East Moody Blvd. Suite 105 Bunnell, FL 32110	386-313-4009
Bunnell www.bunnellcity.us		Bunnell	
2323 N. State Street, Suite 60 Bunnell, FL 32110	386-437-7516	2323 N. State Street, Suite 60 Bunnell, FL 32110	386-437-7516
Flagler Beach www.cityofflaglerbeach.com		Flagler Beach	
105 S. 2nd St. Flagler Beach, FL 32136	386-517-2000	105 S. 2nd St. Flagler Beach, FL 32136	386-517-2000
Palm Coast www.ci.palm-coast.fl.us		Palm Coast	
160 Cypress Point Parkway, Suite B105, Palm Coast	386-986-3766	160 Cypress Point Parkway, Suite B105, Palm Coast	386-986-3766

State Professional and Business Licenses

Some 198 licensee categories require a state license from the Department of Business and

Professional Regulation. Examples of these professions include accountant, architect, carpenter, cosmetologist, electrician, engineer, funeral director, interior designer, real estate agent and veterinarian. More than 100 businesses require a license, permit or registration from the Florida Division of Consumer Services. These include aerobics, auto repairs, food manufacturers, pawn shops, pest control, supermarkets, telemarketing, etc. You may determine whether your business is regulated by the State of Florida by visiting their website at www.stateofflorida.com.

Health Permits

Many types of business must have health permits. Owners of public lodging and food service businesses need to contact the Division of Hotels and Restaurants at www.myfloridalicense.com. Retail food stores, food processing plants and food storage and distribution businesses are licensed through the Florida Department of Agriculture and Consumer Affairs at www.doacs.state.fl.us/onestop/. Owners of food service establishments including bars, taverns, schools, nursing homes, trailer parks, child-care centers, movie theaters and other institutions, as well as mobile food units and vending machines, should contact the county health department at www.doh.state.fl.us.

Florida Dept. of Business &
Professional Regulation
Division of Hotels and Restaurants
Suite 802, Hurston Bldg., North Tower
400 W Robinson St.
Orlando, FL 32801
Phone: (850) 487-1395
www.myfloridalicense.com

Flagler County Health Department
301 S. Lemon St.
Bunnell, FL 32110
Phone: (386) 437-7350 Ext. 2213
Fax: (386) 437-7353
health.flaglercounty.org

FEE: Fees are prorated by size and type of establishment. For hotels, motels and restaurants, the fee depends on number of rental units or on seating capacity and services provided. Licenses are renewed annually.

COMMENT: If the owner changes or if the business address changes, a new permit is required. The permit must be displayed. Prior to approval, inspections of existing facilities and examination of blueprints for planned facilities must be made by the respective department.

FEE: The cost of the license depends on the profession. Applicants must meet established criteria in order to be licensed. Some licenses renew annually, some biannually, depending on the profession. Some licenses require continuing education, others do not.

COMMENT: All health-related professions are now licensed by the Florida Agency for Health Care Administration in Tallahassee at (850) 488-0595.

Beverage Licenses

WHO: Any business selling alcoholic beverages must apply for a state license. Since the liquor industry is highly regulated, applicants must qualify. Retailers and wholesalers of beer, wine or liquor are subject to the federal special occupational tax. See the Department of Business and Professional Regulation Web site at www.myfloridalicense.com.

(For state licensing)

Florida Department of Business and Professional Regulation Division of Alcoholic Beverages and Tobacco
1940 N. Monroe St.
Tallahassee, FL 32399
Phone: 850.487.1395
www.myfloridalicense.com

(For federal special occupational tax information)

U.S. Department of Treasury
Alcohol and Tobacco Tax and Trade Bureau National Revenue Center
Phone: (800) 937-8864
www.ttb.gov/

FEES: State fees are based on the types of beverages sold or served. The license is renewed annually by September 30. The federal tax is \$250 for retailers, \$500 for wholesalers, due each year on or before July 1.

COMMENT: The Department of Business and Professional Regulation requests that all applicants or their representatives receive information concerning obtaining a beverage license in person to avoid misinformation.

Retail Installment Sales Licenses

WHO: Each business financing the sale of goods or services sold by installment contract or a revolving charge account to a retail buyer must register.

WHERE: Office of the Comptroller
Department of Financial Regulation
The Fletcher Building
200 E. Gaines Street, Tallahassee, FL 32399
Phone: (850) 413-3100
www.flofr.com/banking/index.htm

FEE: \$175. The license is renewed every other year in December.

COMMENT: The Florida Department of Financial Regulation also licenses and regulates collection agencies, consumer finance companies, mortgage brokers, securities dealers and investment advisors, and mortgage business schools.

Environmental Regulations

WHO: Any business which is an actual or potential polluting source must apply for a permit.

WHERE: Flagler County
301 S. Lemon St, Bunnell, FL 32110, Phone: (386) 437-7358

FEE: Fees may vary according to permit size.

COMMENT: One-time construction permits and renewable operating permits are required for potential polluting sources. Permitting is mandated for activities such as dredge and fill, storm water construction, water treatment, sewage treatment, and drainage well construction.

TAXES

Income Tax

Every business owner must file the appropriate income tax forms provided by the Internal Revenue Service. He or she must pay federal income taxes at the personal tax rate for sole proprietorships and S corporations or at the corporate rate for C and PS corporations. Sole proprietors, partnerships and LLCs pay estimated taxes quarterly via owner's IRS Form 1040-ES. Corporations also pay quarterly estimated taxes. Current personal and corporate income tax rates can be found on the IRS Web site at www.irs.gov or by calling the IRS at (800) 829-1040.

C corporations in Florida may also be required to pay state corporate income tax, depending on the amount of net income.

Employment Tax

Every business owner with employees must pay federal and state unemployment and social security taxes, and may be subject to workers' compensation. The employer must also withhold appropriate taxes from the employee's gross pay. Sole proprietors and partners are considered self-employed and all net income is subject to self-employment tax. About half of this tax liability can be deducted on the personal tax return.

Sole proprietors with employees, and partnerships and corporations regardless of employees, must acquire an Employer Identification Number (EIN) using IRS Form SS-4. The form may be obtained from the IRS Web site at www.irs.gov or from the local IRS or Social Security Administration offices. The EIN may be obtained online at www.irs.gov by telephone at (866) 816-2065, or by fax at (631) 447-8960. The number can also be acquired by mail from IRS Service Center, EIN Operations, Holtsville, NY 00501.

COMMENT: When a business makes application to the IRS for its EIN, the business is automatically added to the federal mailing list. The IRS provides free small business tax kits designed to fully explain federal tax requirements. These kits may be downloaded from the Web site. Specify the applicable legal form or organization.

WHERE: (For federal income and employment tax information)

Internal Revenue Service Taxpayer Assistance Office
921 N. Nova Rd
Holly Hill, FL 32117
Phone: (386) 258-4105 or (800) 829-4933

To obtain federal tax forms: call (800) 829-4933 or visit www.irs.gov

(For state corporate income tax information)

Flagler County
Tax Collector
1769 E. Moody Blvd.
Bldg. 2, Suite 102
Bunnell, 32110
Phone: (386) 313-4160
www.flaglertax.com

Unemployment Compensation

All businesses that employ one or more employees must pay this tax. Unless incorporated, the business owner is not considered an employee.

Volusia and Flagler counties

(See addresses, phone numbers under state corporate income tax information)

The basic state tax for all new employers is 2.7 percent of the gross payroll up to \$7,000 of each employee's earnings in a calendar year. After 10 quarters, the company is rated and, depending on the rating, a percentage between .1 percent (no previous claims) and 5.4 percent will apply. The federal government has a fixed FUTA tax rate of 6.2 percent, but with the maximum credit for timely payment of state unemployment taxes, the rate drops to .8 percent. When purchasing an existing business, the buyer may request the seller to transfer the experience rating with the sale.

Intangible Tax

This tax applies to all businesses with intangible assets which include stocks and bonds, mutual funds, loans, money market funds, notes and accounts receivable that are not part of normal business operation, with some exceptions. All corporations must file annually, even with zero intangible assets, unless "no obligation" was indicated on annual filing form.

WHERE: (See addresses, phone numbers and Web site under state corporate income tax information)

COMMENT: File using Form DR-601-c for corporations and DR-601-i for individuals by June 30 each year, with discounts available for early filing.

Tangible Tax

All businesses with tangible personal property are subject. This tax does not apply to inventory or vehicles.

WHERE: **Flagler County**
Tax Collector
1769 E. Moody Blvd.
Bldg. 2, Suite 102
Bunnell, 32110
Phone: (386) 313-4160
www.flaglertax.com

FEE: Applicable tax returns must be filed annually on Form *DRA05* by April 1 in every county in which a company has tangible property. The county will assess the tax based on fair market value each year at current rate. There is a 25 percent penalty for failure to file.

Real Estate Tax

WHO: All businesses with real estate must pay this tax.

WHERE: (See addresses, phone numbers and Web site listed under tangible tax information.)

FEE: The fee is assessed according to the value of land, the value of any improvements and the current tax rate.

Sales Tax

WHO: All retail businesses must be registered with the State of Florida and must collect the six percent (6%) state sales tax on each sale, admission charge, storage or rental unless the transaction is specifically exempt. Exemptions include groceries and prescription medicine State of Florida. Examples of other business activities responsible for collection of sales tax include: repairs or alterations to tangible personal property; rental or lease of real or personal property; selling or providing telecommunications services; operating vending or amusement machines; and providing a taxable service (investigative and crime protection services, interior nonresidential cleaning and nonresidential pest control).

The combined sales tax rate for Flagler County is seven (7%) which includes a one (1%) percent discretionary sales surcharge.

WHERE: Flagler County (See addresses, phone numbers and Web sites listed under tangible tax information.)

FEE: \$5 one-time application fee for sales tax number using Form DR-1.

COMMENT: The reporting of sales tax to the state is required monthly or quarterly depending on the amount of sales tax collected using Form DR-15.

OTHER BUSINESS INFORMATION

Incorporation Information

WHO: All corporations must be registered in compliance with Florida statutes.

WHERE: All **Florida** counties
Department of State
Division of Corporations
2661 Executive Center Cir. Tallahassee, FL 32301
Phone: (850) 245-6052
www.sunbiz.org/

FEE: The Florida incorporation fee for both for-profit and non-profit corporations is \$70, which includes a \$35 filing fee and \$35 for recording a registered agent. An optional certified copy of incorporation documents is available for \$8.75 (for the first 8 pages and \$1 for each additional page, not to exceed \$52.50). In addition, an annual report is required of every corporation on or before May 1 each year. The annual reporting fee is \$150. If filed after May 1, the annual reporting fee is \$550. If the annual report and fee are not paid by September 1, the corporation is dissolved and the reinstatement fee is \$600.

COMMENT: Sound legal advice in incorporating a business is invaluable. The cost of incorporating including legal fees, corporate kit, filing fees, etc. will range from \$500-\$1,000. Florida corporations must file a Florida State Income-tax form yearly, due the first day of the fourth month following the close of their fiscal year. Name availability and all necessary forms can be obtained via the Web site.

Fictitious Name Act

Anyone planning to open a new business as a sole proprietorship or partnership using a name other

than their own legal name must register the name. Any corporation doing business under a name other than the corporate name must register the other name.

Department of State, Division of Corporations
2661 Executive Center Cir.
Tallahassee, FL 32314
Phone: (850) 245-6052
www.sunbiz.org/

FEE: The registration fee is \$50. Registration must be renewed every five years. Name must be registered again if ownership of the name changes. Registration does not reserve a fictitious name against future use by other business owners.

COMMENT: While registration of a name may be helpful in trademark registration, registration of a fictitious name in and of itself does not restrict use by any other business. Names already registered may be checked online via the Web site, and forms may be obtained there as well. The following procedure is necessary to register a fictitious name:

1. Write for or download application and instructions.
2. Complete application and mail with recording fee to address listed above.

Patents, Copyrights and Trademarks

WHAT: A patent is an exclusive property right to an invention (i.e. a product or service). A trademark is a work, phrase, symbol, or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of others. Trademarks can be registered at the federal level by the Commissioner of Patents and Trademarks or at the state level by the Secretary of State. A copyright is a form of protection given to an original artistic or literary work.

WHERE: Commissioner of Patents and Trademarks
U.S. Patent and Trademark Office Washington, D.C. 20231
(800) 786-9199
Email: TrademarkAssistanceCenter@uspto.gov.
www.uspto.gov/

U.S. Copyright Office Library of Congress
101 Independence Ave., S.E.
Washington, D.C. 20559-6000
Phone: (202) 707-3000
Forms: (202) 707-9100
Patents: (800) 786-9199
www.loc.gov/copyright/

FEE: The small entity fee for registering a basic utility patent is \$545, online \$463, while the basic design patent fee is \$230, and the basic plant patent is \$385. The fee to register a basic copyright is \$45. The federal trademark registration fee is \$375 per class, electronic \$350 and the state fee is \$87.50 per class.

COMMENT: Patent and trademark searches should be conducted prior to application to determine whether the invention is already patented or the name already trademarked. The Small Business Development Center provides free preliminary patent and trademark searches. Searches can also be conducted via the agencies' Web sites.

Employment Eligibility Verification

WHO: Every employer with one employee or more is responsible for verifying the employee's identity and right to work at the time of hiring.

WHERE: Immigration and Naturalization Service
Orlando Sub Office
9403 Tradeport Dr.
Orlando, FL 32827
Phone: (407) 855-4418

COMMENT: An employer must complete an I-9 form on each employee within three days of hiring and the form must be kept by the employer for the later of (i.) three years from the date of hire or (ii.) one year after employment is terminated. On this form the employer must attest that they have seen certain documents verifying the employee's employment eligibility. A list of acceptable documents for proving both identity and right to work are listed on the I-9 form.

Federal Wage and Hour Law

WHO: Each new business must comply with the wage and hour law.

WHERE: **Flagler County**
Enterprise Flagler
20 Airport Rd. Suite A
Palm Coast, FL 32164
(386) 586-1224

COMMENT: As of July 24, 2009, the minimum wage in Florida is \$7.25 per hour. The federal wage and hour law covers the minimum wage scale, overtime, equal pay, child labor, age discrimination, employment record keeping and wage garnishment laws. Employers have the responsibility to determine if the law applies to their business.

Occupational Safety and Health Act of 1970

WHO: If you own and manage a small business, there are legal safety regulations that are your responsibility.

WHERE: Flagler County
1769 E. Moody Blvd.
Bunnell, FL 32110
(386) 313-4000
www.osha.gov

COMMENT: All employers are urged to achieve in-compliance status voluntarily and prior to any inspections performed pursuant to the act. There are certain industries which are regulated more closely than others, and, of course, those businesses dealing with the public are closely monitored. Fines and penalties can be levied for non-compliance.

Florida New Hire Reporting

WHO: Every employer must report any new or re-hired employee that fills out a W-4 form to a state directory within 20 days of hire.

WHERE: Florida New Hire Reporting Office
PO. Box 6500
Tallahassee, FL 32314-6500
(888) 854-4791
Fax: (888)854-4762

www.fl-newhire.com/

COMMENT: Employers can report new hires electronically via the Internet, or by faxing or mailing either a new hire reporting form, a legible copy of the employee's W-4 form, or a printed list.

Family Medical Leave Act

WHO: Employers of 50 or more employees must grant an eligible employee up to a total of 12 workweeks of unpaid leave during any 12-month period for one or more of the following reasons: for the birth and care of the newborn child of the employee; for placement with the employee of a son or daughter for adoption or foster care; to care for an immediate family member (spouse, child or parent) with a serious health condition; or to take medical leave when the employee is unable to work because of a serious health condition.

WHERE: **Flagler County**
Enterprise Flagler
20 Airport Rd. Suite A
Palm Coast, FL 32164
(386) 586-1224
www.enterpriseflagler.org

COMMENT: An eligible employee must be employed for at least 12 months and has been employed for at least 1,250 hours of service during the 12-month period preceding commencement of the leave.

Americans with Disabilities Act of 1990

WHO: Any business offering public access to customers and any business employing 15 or more workers must comply.

WHERE: All Florida counties
U.S. Department of Justice
Disability Rights Section
Phone: 800-514-0301
800-514-0383 (TTY)
www.usdoj.gov/

COMMENT: This act offers individuals with disabilities equal access to employment and public accommodations. Discrimination in hiring or promotion is prohibited. Reasonable accommodation must be made, including removal of physical barriers and provision of auxiliary aids and services for those with vision or hearing impairments. A copy of the "ADA Guide for Small Businesses" should be obtained for full details.