



Business licenses 101



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- December 5** An essential guide to 1099 and W-9 form management and compliance
- December 10** Managing tax-exempt sales 101
- December 12** Simplify your international sales tax and cross-border obligations with Avalara
- December 17** 2025 tax changes



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Meet your presenters

Meet our presenters



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Product Solution Strategist,
Avalara



At your company, what
➤ department manages
business licenses?

Agenda

- 1 > Business license basics – types & differences
- 2 > Consequences of non-compliance
- 3 > Understanding your business license needs
- 4 > An automated solution for business licenses
- 5 > Q&A

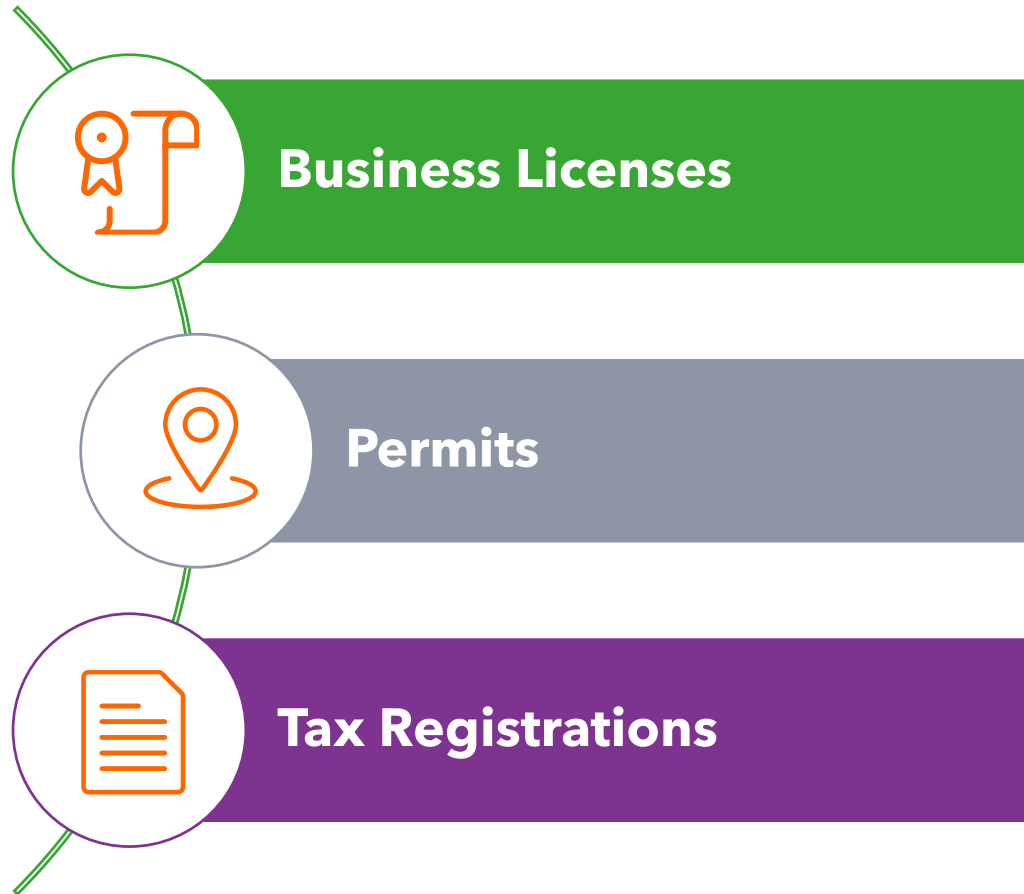
The business license basics

Three Types of Business Licenses

Business Licenses are issued by the government to grant permission to conduct operations within their borders.

Permits are certifications that safety and health requirements are met, generally issued for one-time actions on a specific parcel of land.

Tax Registrations are the first step the government requires to begin collecting taxes from a business.



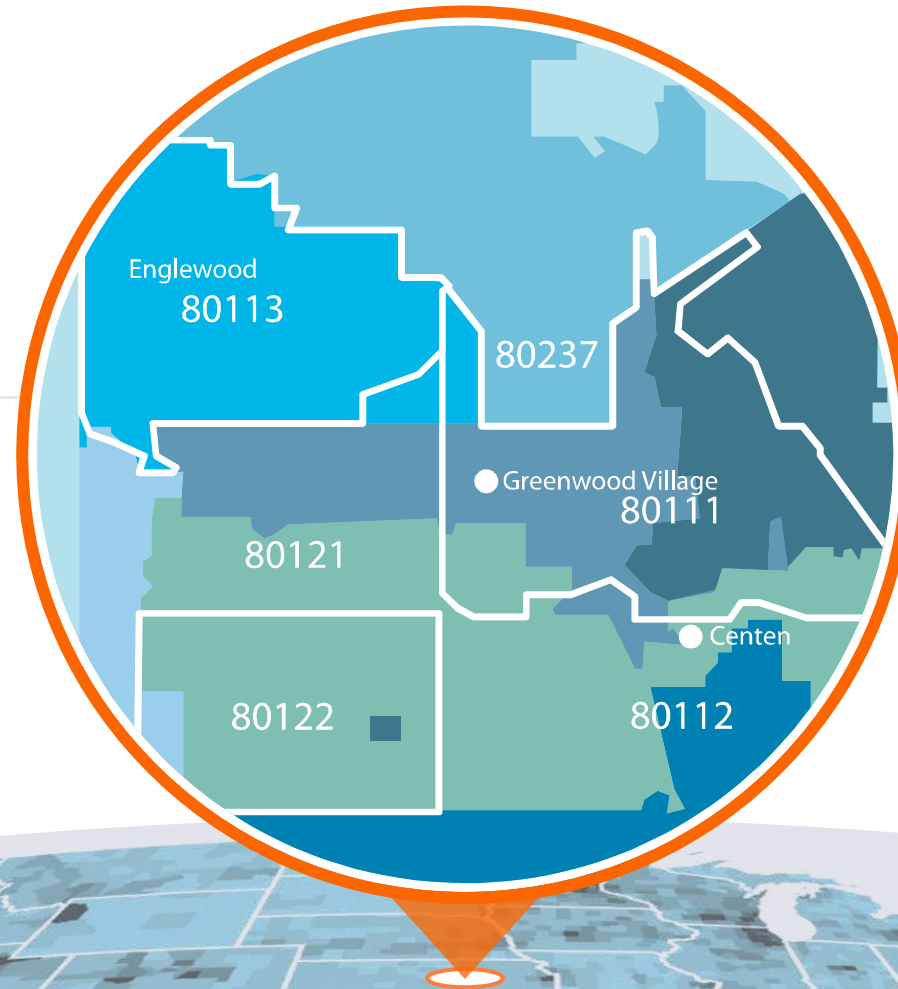


There are 50 states, 3,000 counties, and 35,000 municipalities in America.

Each one of these government authorities can set and enforce their own business licenses.

There are also 35,000 special purpose districts that overlay all the municipalities.

Maintaining compliance in all these jurisdictions takes time, resources, and money.



Consequences of non-compliance

Business License Compliance

What are the consequences of being out of compliance?



It depends...

Allow a liquor license to expire and it may be permanently revoked (or it may not be).

Allow a contractor license to go missing and you may have to explain yourself in court (or maybe not).

Practice healthcare without permission and your business may be sanctioned (or you may get lucky).



States, Counties, and Localities

The Buffalo Example



The city of Buffalo requires a license for operating a billiard parlor.

“No person, firm, association or corporation shall, within the limits of the city of Buffalo, keep or maintain any public billiard room, poolroom, or bowling alley or any room in which games of billiards, pool, or bowling are carried on for the playing of which any compensation, direct or indirect, shall be demanded or received without first having procured a license therefor.”

States, Counties, and Localities

The Washington D.C. Example



Individuals or businesses offering home improvement services, such as remodeling or repairs, must secure a Home Improvement Contractor License in Washington, D.C.

“This license is essential for ensuring that contractors are qualified and comply with local building codes. The licensing process includes an application submission, proof of insurance, and passing relevant examinations.”

States, Counties, and Localities

The New Orleans Example

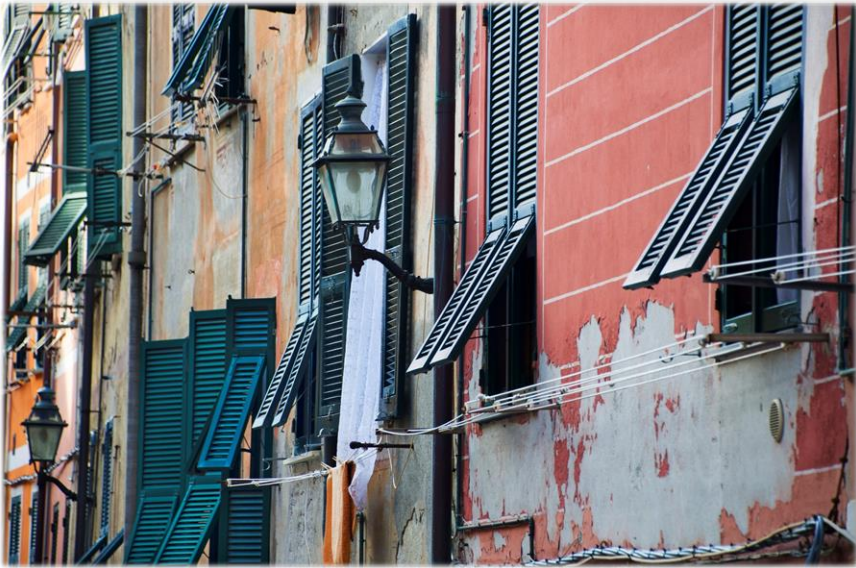


Restaurants or bars in New Orleans that host live music need a specific live entertainment permit, which includes restrictions on sound levels and hours of operation.

“If the restaurant will provide musical accompaniment, a Live Entertainment license will be required.”

States, Counties, and Localities

The Nashville Example



Businesses operating in historic districts must comply with unique requirements, such as signage and exterior design that match the neighborhood's historic aesthetic.

“Historic Zoning is a type of zoning that protects historic character through a design review process. It is called an overlay because its “over top” of base zoning, meaning it doesn’t change how a property can be used. There are multiple types of historic overlays: Historic Landmark, Historic Landmark-Interior, Historic Landmark-Signage, Historic Bed & Breakfast, Historic Preservation District and Neighborhood Conservation Zoning District.”

States, Counties, and Localities

The Rhode Island Example



Businesses collecting clams for commercial sale need a shellfish license, with additional permits required for harvesting in certain areas.

“You need a license if you intend to: shuck, repack, ship or reship shellfish in Rhode Island. If you have a new, substantially renovated (more than 50% of the value of the establishment), or unlicensed facility, you need to present your building and operations plan to us for review and approval – in addition to your business application.”

Common concerns



Misconceptions abound

Not all licenses are the same. Not all cities are the same. Not all industries are the same.



Nobody is dedicated to the job at hand

Business license compliance can often get passed around from department to department.



Fines, penalties, criminal citations

A business can die by a thousand small cuts. But you could also be one missing license away from shutting your doors.



New products and services create issues

This is a special challenge for businesses that seek to “ecommerce proof” their physical locations.



Compliance is a moving target

Your business license requirements will always be at the whim of city councils and state regulators.

For most, nobody is dedicated to business licenses



What department or person should manage your business licenses?

For many companies, it could be anyone or, worst case scenario, no one.

License Management "Titles"

- Tax (22%)
- Licensing (17%)
- Legal (12%)
- Accounting (11%)
- Operations (9%)
- Compliance (4%)
- Real Estate (4%)
- Finance (3%)
- Other (18%)



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➤ How many licenses does
your company or firm
currently manage?

Understanding your
business license
compliance needs

Business Licenses per Location



Regulated Industries

Avg

> Supermarkets	20
> Lodging & Hospitality	15
> Communications	10
> Construction / Contracting	10
> Convenience Stores	10
> Energy	10
> Hospitals & Healthcare Providers	10
> Manufacturing	9
> Agriculture & Forestry	8
> Transportation & Logistics	8
> Accommodation and Food Services	6
> Energy & Utilities	5
> Transportation and Warehousing	5
> Beverage Alcohol	3
> Professional, Scientific & Technical	3
> Tobacco	3
> Travel Agencies	3
> Financial Services & Banking	2

Non-Regulated Industries

Avg

> General Retail	2-3
> Wholesale & Distribution	2
> Accounting	1
> Administrative and Support Services	1
> Business Services	1
> Education	1
> Information Technology & Services	1
> Management of Companies/Enterprises	1
> Media & Entertainment	1
> Real Estate	1
> Software	1

Convenience stores

Licenses & regulations

Cigarettes, lottery tickets, packaged foods, fresh foods, refrigerated foods, etc.

Fuel

Fuel requires not only its own licensing, but numerous environmental licenses and permits to store and dispose of it

Alcohol

No license type comes under greater scrutiny or requires as many hurdles to obtain as liquor licenses



Supermarkets

Retail food establishment

If foods are directly sold to a consumer from a physical location or facility, then a retail food establishment license may be required

Food processor license

License required if any food processing, such as meat and cheese slicing, making coffee, heating foods, making sandwiches, and more, is taking place

Weighing and measuring devices

Regular inspections of these devices are usually required of stores before used and on a regular basis





General Retailer

Not as simple as you think

Even unregulated goods such as apparel can cause licensing headaches

Stores within stores

Sublet spaces and kiosks can wreak havoc on a business license workflow

Ancillary services

When companies provide installation, or other services additional licensing may be needed

Contracting

Research, research, and more research

Every time you scope out a new job, you must research your licensing requirements all over again

Professional licenses

Staying on top of your workforce is a full-time job in and of itself

Hidden Licenses

It's rare that a construction, engineering, or contracting company even correctly estimates its license portfolio





Telecom

Lots and lots of licenses

Often require federal, state, and local licenses or permits

Industry-specific licenses & regulations

The Federal Communications Commission (FCC) has its own set of industry-specific regulations to follow

State licenses

State telecommunication licenses require varying degrees of preparation and interaction with state officials





Healthcare

Controlled substance management

Licenses are required to handle and dispense controlled substances

Urgent care facilities

Have to apply for facility licenses, pharmacy licenses, registered nurse licenses, medical doctor licenses, and technician licenses

Regulatory oversight

Healthcare industry is overseen by state, federal, and local agencies with their own enforceable regulations

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At your company or firm,
➤ how many licenses does a
person manage at one time?

Managing the business
license lifecycle with
automation

A License Lifecycle

Common Steps



Other

Get Forms
Notarized

Controller
Approval

Get Surety
Bond

Submit
Fingerprints

Original
Signature

E-Verify
Confirmation

Append
Menus

Append Spec
Sheets

Avalara License Management

Here's how we can help



Centralize your business licenses

Otherwise, your location managers may make mistakes, and you won't know that you've slipped out of compliance.



Standardize your workflow

Otherwise, everybody might be working on their own timeline and failing to meet crucial deadlines with the authorities.



Digitize your paperwork

Otherwise, you may scramble to locate license certificates when an inspector shows up at a location unexpectedly.



Minimize your busy time

Otherwise, you could waste time by pushing papers and repeatedly filling in duplicate forms and applications.



Key Features

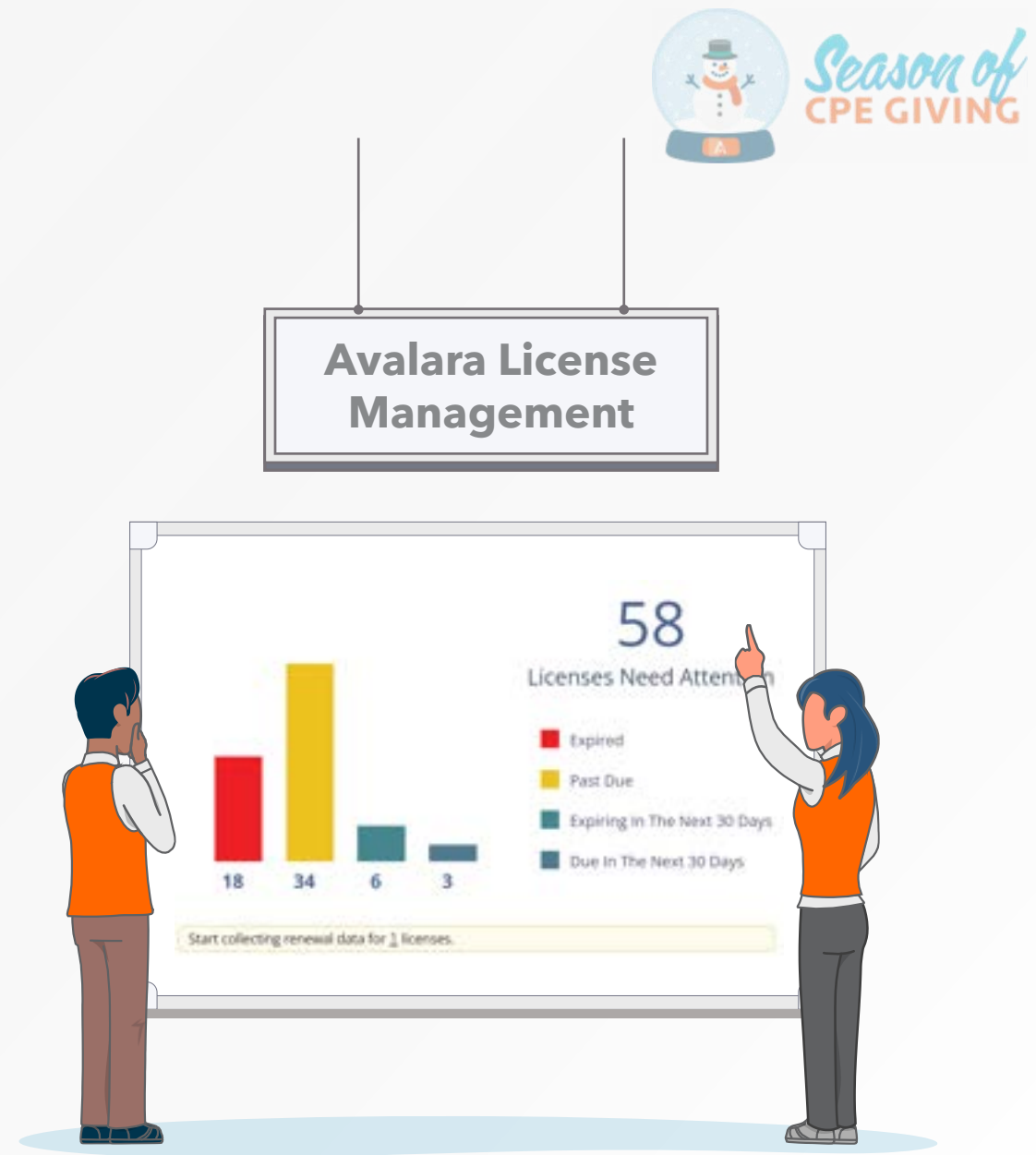
Automatically maintain a **renewal calendar** to prepare for compliance deadlines.

Assess data you must collect even before you receive **renewal forms** from the authorities.

Consolidate renewals into a **single workflow** to effectively reduce your amount of work.

Assemble applications and forms for a new location instead of wasting time hunting for the same info on government websites.

Recall **previously used data** to copy/paste into new filings instead of manually typing them in repeatedly.



Avalara License Management

Who should use ALM?



Retail



Food Service



Hospitality



Construction



Manufacturing



Healthcare



Transportation



How we do it - Avalara License Management



Streamlines a sprawling business license portfolio into **one secure software platform**



Enables collaboration between departments that obtain, renew, and pay for licenses



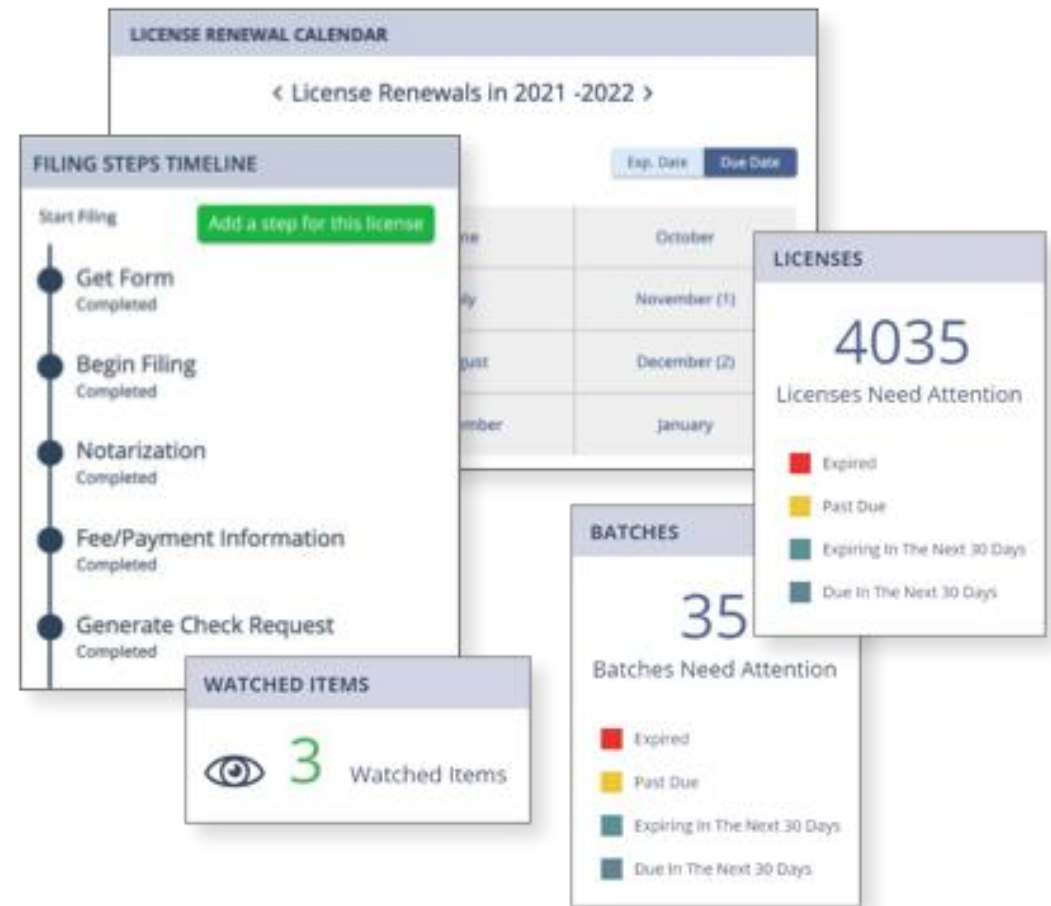
Provides research, filing, and renewal workflow tools tailored to your unique needs



Minimizes non-compliance with a dynamic calendar and proactive email alerts



Frees up time spent on repetitive tasks such as manually filling in forms





Would you like follow-up
➤ from an Avalara sales
representative?

Q&A

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Tax compliance done right