

FREQUENTLY ASKED QUESTIONS

WHAT IS THE BUSINESS TAX?

The business tax grants the privilege of engaging in or managing a business, profession or occupation. It is in addition to any other fees paid to operate a business. In 2007, the name was changed from occupational license to business tax. Paying the tax does not regulate a business and it does not guarantee the quality of the work of a business.

WHO MUST PAY THE TAX?

Most businesses and professionals operating within the City Limits of Sarasota must pay the tax. This includes anyone doing business out of their home, if the home is located within the City limits. A Business Tax Receipt for an office does not cover professionals working in that office. Each person engaged in an occupation requiring a state license must apply for an individual Business Tax Receipt.

WHEN IS THE TAX REQUIRED?

A business tax is required to be paid when a business begins operation. The business tax period is from October through September each year. Applications are available at the City Hall Annex Building 2nd Floor, 1565 1st Street or online at sarasotafl.gov

IF I HAVE PAID THE COUNTY BUSINESS TAX, DO I NEED A CITY BUSINESS TAX ALSO?

Yes, if the business is located **inside the City limits**. If the business is located outside the City limits but in Sarasota County, you only need to pay the Sarasota County Business Tax.

WHAT HAPPENS IF I DO NOT RENEW THE BUSINESS TAX RECEIPT BY OCTOBER 1st?

The law provides that late renewal must include a delinquency penalty of 10% for the month of October, plus an additional 5% penalty for each month of delinquency thereafter until paid, not to exceed 25% of the business tax.

WHAT HAPPENS IF I DO NOT PAY THE BUSINESS TAX?

If you are doing business without having paid the business tax, you are subject to a penalty of 25% of the tax plus other penalties. Also, operating without having paid the business tax is a misdemeanor punishable by a \$100 minimum fine plus a daily fine of 25% of the total annual tax due. The total fine may not exceed five times the value of the tax or \$500, whichever is greater.

WHO IS EXEMPT FROM PAYING THE BUSINESS TAX?

Charitable, educational and religious institutions, individual persons selling self-grown farm products, certain disabled honorably discharged veterans and their un-remarried widow(er)s are exempt from paying the tax.

Other exemptions include:

Widow(er)s with dependent children and physically disabled persons incapable of manual labor, with not more than one employee or helper AND the owner's capital investment must not exceed \$1,000.

AM I REQUIRED TO REGISTER MY BUSINESS WITH THE STATE?

Yes. All businesses in the state of Florida are required to be registered with the Florida Department of State, Division of Corporations or Fictitious Name Registration.

Division of Corporations: (850) 245-6052

Fictitious Name Reg.: (850) 245-6058

Or either online at sunbiz.org

CAN I OPEN A BUSINESS ANYWHERE?

Prior to paying the business tax, contact the City Zoning Division at 941-954-4127 to ensure the business is allowed in that location. This also applies to moving from one location to another.

IF I AM LICENSED BY THE STATE, DO I NEED TO SHOW PROOF WITH MY APPLICATION?

Yes. You must include a copy of your current state license with your application.