

BUSINESS LICENSES

The following information is designed to inform you of Business Tax in general. It is not intended to completely address the lengthy and complex business tax laws and regulations.

Business Tax is administered by the Tennessee Department of Revenue, but is collected by local governments. Business Tax is classified as a privilege tax for the right to do business within the counties and cities of Tennessee.

WHO IS REQUIRED TO HAVE A LICENSE

The owners or operators of all for-profit businesses, except manufacturers and specific business professionals, must pay the local business tax for each place of business located in the City of Goodlettsville corporate city limits. Sumner County and Davidson County also levy the business tax, so if you have a business in Goodlettsville, you are also liable for the respective county business license where your business is located.

HOW DO I OBTAIN A BUSINESS LICENSE

When applying for a business tax license, you must provide the following:

- Business name, business address, business telephone number
- Owner's name(s), home address, home telephone number, social security number
- Signature of each owner

Also when applying, you will be required to give your dominant business activity of item(s) sold or services rendered that will generate the most sales and/or revenues. This office will properly classify you according to your dominant business activity. Business tax has four (4) different classifications, each with its own tax period and its own tax rate, as shown below. Each classification contains a variety of businesses.

Effective September 1, 2002, Chapter 856 of the Public Acts of 2002 amends the Business Tax by increasing the Business Tax rates.

Class	Taxable Period	Due Date	Tax Rate Per Class for transactions on or after	
1	01/01 to 12/31	02/28	*Retail *Whsle.	-- 1/10 & 1/20 of 1% -- 1/40 & 3/80 of 1%
2	04/01 to 03/31	05/31	Retail Whsle.	-- 3/20 of 1% -- 3/80 of 1%
3	07/01 to 06/30	08/31	Retail Whsle.	-- 3/16 of 1% -- 3/80 of 1%
4	10/01 to 09/30	11/30	Retail Whsle.	-- 1/10 of 1%
* Tax rate depends on type of business in this classification				

As a courtesy, our office will mail you the appropriate business tax report form at the end of your designated tax period. You are required to complete the form, provide the total gross sales and/or revenues for items sold and services rendered, apply the appropriate tax rate(s) and return the form with payment by the assigned due date. A business can apply both the retail and the wholesale rates to the gross sales. Retail sales are sales to users or consumers who do not resale. Wholesale sales are sales to retailers who resale to users or consumers. If a business has both retail and wholesale sales, then the business can separate its sales accordingly if each type of sale accounts for at least 21% of the total gross sales. In other words, if wholesale sales make up less than 21% of the gross sales, then they are treated as 100% retail sales, and vice versa.

DOOR TO DOOR SOLICITORS AND TRANSIENT VENDOR LICENSE

A person/business selling or offering to sell new merchandise to the public on temporary premises and does not have a permanent, fixed location in Tennessee where the business is conducted is considered a transient vendor. A transient vendor can be both a Tennessee resident or an out of Tennessee resident.

A transient vendor must obtain approval to operate a temporary business from the City of Goodlettsville Zoning Department. A transient vendor is required to obtain

a 14-day permit from this office to conduct business in this city. If the permit expires prior to the scheduled ending date, then a new permit must be obtained for an additional 14 days. The permit fee is \$100.00. For additional information please contact (615) 851-2205.

A door to door solicitor is also required to obtain a transient vendor license as described above, however, the applicant must first obtain a door to door solicitor permit from Davidson County, which includes a background check and photo identification. For further information on the Davidson County permit, call 615-862-6770. The City of Goodlettsville will not issue a permit to any door to door solicitor until they have obtained their permit from Davidson County. Where there is a group of solicitors, each individual must obtain the county and city permit and pay all applicable fees. No door to door solicitors will be allowed to solicit in residential areas after dark. If a resident of the City of Goodlettsville reports any complaint on a solicitor, that solicitor's permit will be terminated without reimbursement of any fees paid. If a solicitor is exempt from taxes under the Business Tax Law, they are encouraged to obtain all the necessary license without any liability of fees, documenting their exemption status, so that they will be registered with the City and emergency personnel will be aware of their purpose while being present in the City.

HELP DESK FOR FILING AND RENEWING

You may contact this office in person at 105 South Main Street, Goodlettsville TN 37072, or by telephone at 615-851-2205 for general assistance in the filing or renewing of your business tax and licenses.

WHY SOME BUSINESSES ARE AUDITED

All businesses subject to business tax must keep and preserve records showing the gross sales and any other books of account needed to determine the amount of tax due. All such books and records shall be open to inspection at all reasonable hours by this office, and are subject to an audit. Audits are performed to ensure the proper payment of business tax, as well as, the understanding of the tax by the taxpayers. Audit candidates are normally chosen randomly. However, if several businesses in a specific industry do not have an understanding of the law, audits may be

performed primarily to assist. By reviewing the records and obtaining an understanding of a specific business, the audit results will determine if the gross sales reported are accurate; the proper deductions are taken; the wholesale and/or retail rate should be applied/ all the appropriate credits are applied; the business is required to pay the business tax; as well as, other findings. Some audits may result in a finding of overpayment of the business tax and a refund may be due.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

- The fee for a business license is \$20.00 .
- The report of gross sales, payment of taxes, a renewal of licenses are due in this office within two (2) months after the license expires.
- Both penalty and interest are charged on delinquent returns.
- Final business tax returns are due within 15 days of termination, sale or closing of a business.
- If a business tax license is obtained yet the business never started, this office must be notified in writing to avoid the business being carried as a delinquency and assessed penalty and interest.
- Please notify this office if your business changes or business mailing address changes.