

This brochure has been produced by the City of Auburn Revenue Office to help the business owner and taxpayer have a better understanding of the ordinances that regulate licenses and taxes in the City of Auburn.

Business License General Information

Any company or person conducting business in Auburn is required to obtain a City business license prior to commencing business activity. City business licenses expire on December 31st of each year and a business license must be renewed for each year that the business is in operation. The renewal date is January 1st of each calendar year and any business in operation on or after January 1st of the calendar year must acquire a business license. Delinquent charges on unpaid licenses will be assessed after February 15th of the same calendar year.

Before a new business is started in the City, the owner of the business must complete a *Business Registration* form and pay a license fee. The first year license fee, with the exception of general contractors, is \$100 plus a \$5 issuance fee. A general contractor's first year license fee is \$150 plus a \$5 issuance fee. The renewal license fee varies depending on the type of business. Businesses are classified into categories and each category has a rate that is used to calculate the amount of the license. Most licenses are based on the gross receipts from the previous year. In addition, the following items may apply depending on the nature of your business:

- A Certificate of Occupancy (CO) is required if the business location is newly constructed or remodeled (*Issued by City of Auburn Codes Department*).
- A health permit is required for all businesses preparing food (*Issued by the Lee County Health Department*).
- A Life Safety inspection is required for all Auburn-based businesses locating in an existing commercial building/space (*Issued by the City of Auburn Codes Department*).
- A Home Occupation Permit is required for all businesses operating from a residence located in the city limits of Auburn (*Issued by the City of Auburn Planning Department*).
- The City of Auburn's business licenses are not transferable. If more than a fifty- percent change of ownership occurs or a new federal identification number is obtained, a new business license is required.
- All businesses must publicly exhibit and display the license certificate in the business establishment for which the license was issued (*only valid for one specific location*).

Contract Work License

General contractors, plumbing contractors, and electrical contractors are required to purchase an indemnity bond or make a cash deposit prior to starting a contract in the City of Auburn.

Plumbing contractors, electrical contractors, heating/air conditioning contractors, landscapers, and exterminators must present their State of Alabama license certificate or card when applying for a business license in the City of Auburn.

Any contractor or sub-contractor working on a job in which no permit is necessary is required to file a contractor's quarterly report. The fee is ¼ of one percent and is due on the first day of the month following the quarter in which receipts were earned from contract work. A penalty is due if the quarterly report is paid after the last day of the month following the quarter. ***The owner is required to file a return for each period even if there is a zero balance to report.***

Commercial & Residential Rental Business License

A business license is required for owners of commercial and residential property. The initial license fee is \$105 and is renewable annually at a rate of 1.5% of residential rental receipts and 1/40th of 1% for commercial rental receipts. ***The owner is required to register each of the properties on a schedule when the license is obtained and annually when the license is renewed.***

Occupation License

Occupation license fees are levied by City ordinance on the salary or wages earned by an individual for work performed within the City of Auburn. Employers usually withhold the occupation license and remit to the City of Auburn quarterly. The fee amounts to 1% of the gross wages earned within the City of Auburn. Wages earned outside of the City of Auburn are not subject to the occupation license fee.

The occupation license is due on or before the last day of the month following the end of the quarter. A 10% penalty plus interest of 1/2 of 1% for each month delinquent are due if the license is paid after the last day of the month next following the end of the quarter. ***The business is required to file a return for each period even if there are no salaries or wages earned in Auburn.***

In addition to the remittance of the quarterly occupation license fee withheld return, business owners are required to submit an annual reconciliation of occupation license fees withheld.

Alcoholic Beverage License

In order to receive a license to sell alcoholic beverages in the City of Auburn, the business must be licensed by the State of Alabama Alcoholic Beverage Control Board and receive Auburn City Council approval prior to selling alcoholic beverages. After receiving approval from the Auburn City Council, the business must provide a copy of the ABC license and remit all applicable license fees and submit all required reports. For establishments licensed to sell both food and alcoholic beverages, the serving of food should constitute 40% of the gross receipts of the establishment.

Sales/Use Tax

Sales tax is due from the consumer on retail sales of tangible personal property. The business acts as the agent for the City of Auburn by collecting the sales tax from its customers. The sales tax collected by the business for sales in Auburn is remitted to the City of Auburn.

Use tax is due from the business or individual on items that are purchased for use in the City of Auburn from vendors located outside the City of Auburn and on which a local city sales/use tax has not already been paid.

The sales/use tax report is due on or before the 20th day of the month next succeeding the period in which the tax accrues. ***A discount is allowed only for Sales Tax if the tax is paid on or before the 20th day of the month in which the tax is due.*** The maximum discount allowed is \$562.00 per month.

A penalty of 10% and interest of ½ of 1% are due if the tax is paid after the 20th day of the month in which the tax is due. ***The business is required to file a return for each period even if there are no taxes collected.*** Businesses with limited sales in Auburn may file the tax quarterly or annually.

Motor Fuels Tax

Wholesalers selling motor fuels into the City of Auburn pay a motor fuel tax. The motor fuels tax is \$.02 per gallon within the City limits. The motor fuels tax is due on or before the 20th day of the month next succeeding the period in which the tax accrues. A penalty is due if the tax is paid after the 20th day of the month in which the tax is due. ***The business is required to file a return for each period even if no motor fuels are sold in Auburn and any business or individual selling motor fuels must be licensed in the City of Auburn.***

Rental and Leasing Tax

Any person engaged in the business of renting or leasing tangible personal property is required to remit a fee of 2.5 % of the gross receipts derived from the lease of the rental property. One exception, the rate of any automotive vehicle leased for a period of more than one year is 1.25 %.

The rental and leasing tax report is due on or before the 20th day of the month next succeeding the period in which the tax accrues. Penalty and interest are due if the tax is paid after the 20th day of the month in which the tax is due. ***The business is required to file a return for each period even if there are no taxes collected.***

Cigarette Tax

Any business or individual selling, storing, or delivering cigarettes in the City limits of Auburn must pay a tax equal to 2 mills per cigarette. The stamps are sold in rolls containing 15,000 stamps. A roll is \$600.00, however a 10% discount is allowed if payment accompanies the order. Any business or individual selling, storing, or delivering cigarettes must be licensed in the City of Auburn.

Lodging Tax

A lodging tax of 7% of the rental charges is applied to business renting or furnishing rooms, lodgings, or accommodations to transients for the periods of less than 30 continuous days. This tax also applies to charges of personal property used or furnished in the rooms, lodging, or accommodations. The lodging tax is due on the 20th day of the month in which the tax accrues. Penalty and interest are due if the tax is paid after the 20th day of the month in which the tax is due. ***The business is required to file a return for each period even if there are no receipts earned.*** Any business or individual furnishing rooms, lodgings, or accommodations must be licensed in the City of Auburn.

Leased Parking Spaces

Parking spaces on the second and third level of the Auburn Parking Deck can be leased for a monthly fee of \$100.00. Lease payments are due on the first business day of each month and are considered delinquent if remitted after the 10th. A deposit of \$100 shall be collected at the time the lease agreement is entered into. This deposit will be refunded at the time the lease is canceled provide sufficient notice of cancelation is provided and account is current.

Dog License

A dog license is required to own, keep, or harbor any dog within the City limits. The yearly license fee is \$5.00 for a sterilized dog and \$15.00 for any unsterilized dog. The dog license must be acquired from the date the animal is brought into the Auburn City limits. The license is renewable during January of each year. A 50% penalty is due if the dog license is paid after January 31st. ***A current certificate of vaccination against rabies from a licensed veterinarian is required in order to obtain a City of Auburn dog license.***

Record Maintenance

The records of a business or an individual conducting business in Auburn must be accurately reflected in the information reported to the City of Auburn. The business records must be maintained for a period of two to six years depending on the type(s) of business activity being conducted in the City of Auburn. An examination of the business records may be conducted in order to verify that the report(s) submitted to the City of Auburn are in compliance with the Code of the City of Auburn.

Home Based Businesses

If your business is based in a residence located inside the city limits of Auburn, you are required to obtain a certificate of Home Occupancy. Please contact The City of Auburn Planning Department for more information:

334-501-3040

Finance Department Contact Information

Finance Director	(334) 501-7221
Revenue Office Manager	(334) 501-7224
Revenue Accountants	(334) 501-7225 (334) 501-7227
Taxpayer Service Representatives	(334) 501-7231 (334) 501-7228
Fax	(334) 501-7297

Tax and Licensing information may also be obtained directly from the Revenue Office located at:

144 Tichenor Avenue, Suite 6
Auburn, Alabama 36830

or via the website at: www.auburnalabama.org

Codes Department Contact Information

171 N Ross Street
Auburn, Alabama 36830
Office: (334) 501-3170
Fax: (334) 501-7295

Planning Department Contact Information

171 N Ross Street
Auburn, Alabama 36830
Office: (334) 501-3040
Fax: (334) 501-7293

State of Alabama Contact Information

State of Alabama Department of Revenue
330 Skyway Drive
Auburn, Alabama 36830
(334) 887-9549
www.ador.state.al.us

Lee County Contact Information

Lee County Probate Office-Business License
215 9th Street
Opelika, Alabama 36801
(334) 745-9761
www.leeco.us

Lee County Health Contact Information

Lee County Health Department
1801 Corporate Drive
Opelika, Alabama 36801
(334) 745-5765

FINANCE DEPARTMENT GENERAL BUSINESS LICENSE AND TAX INFORMATION



City of Auburn

