

Business License Renewal
(Implementation of new Chapter 15)
Frequently Asked Questions & Answers
March 2019

1. Why do I need to submit our Tax Return?

- 1.1. *Tax return is used to verify the actual gross receipt reported to the county, which is a critical element in the calculation of occupational tax assessed. Sec 15-29 (b)(i) "When a federal income tax return is filed, the tax return must be provided to the department" Sec 15-29 (h) " For purpose of this section, prima facie evidence of gross receipts generated during any period shall be a copy of the business federal income tax return or an affidavit of the business accounting firm"*

2. What parts of the tax return do you need?

- 2.1. *Businesses that are identified by the IRS as a separate legal entity (files its own tax return)*
- 2.1.1. *C-Cooperation – FORM 1120*
 - 2.1.2. *S Cooperation – FORM 1120S*
 - 2.1.3. *2 or more Member LLC and Partnerships – FORM 1065*
- 2.2. *Businesses that are NOT identified by the IRS as a separate legal entity (files with owner's personal tax return)*
- 2.2.1. *Sole Proprietor – Schedule C of 1040*
 - 2.2.2. *Single member LLC - Schedule C of 1040*
- 2.3. *Worksheets, Schedules and statements **not required** unless requested*

3. What if I have not filed my tax return or requested an extension from IRS?

- 3.1. *Your 2019 Business license will be issued without the submission of your 2018 Tax return. Your 2018 Tax Return will be required prior to the issuance of your 2020 business license to ensure that the correct actual gross receipt was reported during the 2019 business license renewal. If discrepancies are identified customer will be advised of the additional tax assess, or credit applied to account.*

4. I file jointly with my spouse; do you need their information or can I redact that information?

- 4.1. *We only need information that pertain to the business ONLY.*
- 4.2. *Yes – You can redact sensitive information as long as we can clearly identify the business*

5. We have several locations and our taxes aren't broken down by location. How do we show for DeKalb?

- 5.1. *Business should provide the tax return accompany by internal financial statements by location that supports the combine tax return*
- 5.2. *Or affidavit of the business (Gross receipt) from an accounting firm*

6. What if I don't provide the Tax Return?

- 6.1. *Your 2019 Business License will still be issued without your 2018 tax return; however, your 2018 Tax return will be required prior to the issuance of your 2020 Business License.*

7. Can I submit the 2017 Tax return in the interim?

- 7.1. *No, Customers should not submit 2017 Tax Return. Your 2017 Tax Return will provide information regarding the actual gross receipt for 2017 and insight on the projected gross receipt for 2018. To confirm that the correct tax was assessed base on 2018 actual gross receipt reported, your 2018 Tax return is required.*

8. If I haven't made any money and did not file a tax return for the business, what are my options?

- 8.1. Regardless if you did not generate any revenue, the business was in operations and incur business expenses. These expenses are tax deductible (with certain limitations) as business expense and a tax return should still be filed.

9. When did this happen?

- 9.1. *The amendment to Chapter 15 of the DeKalb County Ordinance has an effective date of November 1, 2018.*

10. What is the reason for the penalties (\$100 to \$600)?

- 10.1. *The penalties for not providing the Request For Information by the due date were implemented to encourage businesses to provide the requested information by the due date to facilitate a timely generation of the actual invoice.*

11. What happens if I haven't received my 2019 renewal notice?

- 11.1. *All Request For Information Renewal notices were mailed out December 31, 2018. Please note that the due date for the Request For Information has not change from prior years (February 1st).*
- 11.2. *The following procedure will be followed to assess eligibility for penalty waiver;*
 - 11.2.1. *Confirm if mail was returned undeliverable*
 - 11.2.2. *Confirm mailing address on file (update if necessary)*
 - 11.2.3. *Confirm payment date in prior year(s)*
 - 11.2.4. *If payment(s) in prior year(s) were made before deadline customer is eligible for penalty waiver*
 - 11.2.5. *If payment(s) in prior year(s) were made after deadline customer is not eligible for penalty waiver*

12. I am a home-based business. I file jointly with my wife. What document I'm supposed to provide?

- 12.1. *Tax return is required (by section 15 -29 of the DeKalb County ordinance) to confirm that the Gross Revenue reported on the Request for Information form was correctly reported for the prior year. Businesses that are single member LLC and Sole proprietor will need to provide a copy of Schedule C (not the entire 1040). We are aware that most businesses have not completed their 2018 Tax Return as yet, business license will still be issued without submission of the tax return....however, once the tax return is completed, customers are advised to submit a copy of the tax return to the County so that we can confirm the gross receipt previously reported on the Request for Information renewal Form.*