

Business License Renewal

(Implementation of Amendment to Chapter 15 of the DeKalb County Ordinance)

Frequently Asked Questions & Answers

March 2019

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

Your Business Federal Income Tax return is used to verify the actual gross receipts reported to the County, which is a critical element in the calculation of occupational tax assessment.

- *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?

Businesses that are identified by the IRS as a separate legal entity (files its own tax return)

- *C-Corporation – **FORM 1120***
- *S Corporation – **FORM 1120S***
- *Two or more Member LLC and Partnerships – **FORM 1065***

Businesses that are NOT identified by the IRS as a separate legal entity (files with owner's personal tax return)

- *Sole Proprietorship – **Schedule C of 1040***
- *Single member LLC - **Schedule C of 1040***

*Worksheets, Schedules and Statements **not required** unless requested*

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

Your 2019 Business license can be issued without the submission of your 2018 Tax return. However, your 2018 Federal Income Tax Return will be required prior to the issuance of your 2020 business license to ensure that the correct actual gross receipts were reported during the 2019 business license renewal. If discrepancies are identified, you will be advised of the additional taxes assessed or the credit applied.

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

- *We **ONLY** need information that pertains to the business.*
- *Yes – Your sensitive information may be redacted 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 taxes for DeKalb?

- *The Business should provide the Federal Income Tax Return accompanied by internal financial statements by location which supports the combined tax return. Locations in DeKalb should be clearly identified.*
- *Or provide an affidavit of the business's gross receipts from an accounting firm.*

FREQUENTLY ASKED QUESTIONS

Amendment to Chapter 15 of DeKalb County Code of Ordinances

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

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?

No, customers should not submit their 2017 Tax Return. Your 2017 Tax Return provides information regarding the actual gross receipts for 2017 and insight on the projected gross receipts for 2018. In order to confirm that the correct tax was assessed based on 2018 actual gross receipts reported, your 2018 Federal Income 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?

Regardless of whether or not your business generated any revenue, the business was in operation and incurred business expenses. These expenses are tax deductible (with certain limitations) as business expenses and a tax return should still be filed.

9. When did this happen?

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)?

Penalties for not providing the Request for Information form by the scheduled due dates were implemented in order to facilitate a timely generation of the actual Renewal Invoice.

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

All Request for Information Renewal Notices were mailed out by December 31, 2018. Please note that the due date for the Request for Information has not changed from prior years (February 1st).

The following procedure will be followed to assess eligibility for a penalty waiver:

- *Confirm if mail was returned undeliverable*
- *Confirm mailing address on file (update if necessary)*
- *Confirm renewal payment dates in prior year(s)*
- *If payment(s) in prior year(s) were made before deadline, customer is eligible for penalty waiver*
- *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 am I supposed to provide?

A Federal Income Tax return is required (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 a single member LLC or a Sole Proprietorship will need to provide a copy of Schedule C (not the entire 1040). We are aware that most businesses have not yet completed their 2018 Tax Return. Business licenses will still be issued without submission of the 2018 Tax Return. However, once the tax return is completed, customers are advised to submit a copy of their tax return to the County so that we can confirm the gross receipts previously reported on the Request for Information Renewal Form.