

## **Business Registration Frequently Asked Questions (FAQs)**

### **1) Why did the City of Chandler need to implement a Business Registration?**

Beginning January 2017, the Arizona Department of Revenue (ADOR) started administering Transaction Privilege Tax (TPT), including licensing, on behalf of Arizona cities following State-specific criteria for issuing the license. Since the City of Chandler previously used the TPT License much like a Business Registration, and the State does not, Chandler has lost the ability to track all business types and locations in the City. Implementation of a Business Registration allows the City to continue to have a complete list of all businesses located in Chandler. The list will provide significant demographic data to be used by internal departments and external partners, as well as provide a means for the City to verify taxable businesses are licensed to pay the tax dollars that benefit the community as a whole.

### **2) Why do I need a Business Registration and what are the benefits for me and my business?**

There are several benefits of being a part of the Chandler Business Registry, some of which include:

- Validates your business presence in the community
- Provides confidence to your customers who see the displayed certificate
- Provides a starting point for new businesses to get information from the City to help navigate through the various City Departments and code requirements
- Allows for the information collected to be displayed in an online business information database for residents and potential new customers for our Chandler businesses, and
- Provides the City the means to help verify tax requirements are being met by taxable businesses to ensure there is a 'level playing field' for all businesses.

### **3) Does every business in Chandler need to obtain a Business Registration?**

All businesses engaging in any business activity within the City from a *physical* Chandler location are required to obtain a Business Registration. This includes, but is not limited to; brick and mortar storefronts, service based businesses, home based businesses, vacation rentals, rentals of commercial property, internet based businesses, kiosks or vending businesses, and mobile businesses. See below for details on residential rentals (#4), non-profits (#12), those with a specialty license (#13), tutoring from home (#16), independent sales reps (#17) and car services (#18).

### **4) If I own a residential rental property and do not rent it as a vacation rental (renting for periods less than 30 days), do I need to obtain a Business Registration?**

No, there is no requirement for people engaged in that kind of business activity to obtain a Chandler Business Registration. However, a TPT License for the City of Chandler (applied for through [aztaxes.gov](http://aztaxes.gov)) is required.

### **5) If I am not required to have a Business Registration, can I still be issued one by the City of Chandler?**

Yes, any business that provides services in Chandler and desires to be registered, whether the Business Registration is required or not, can opt to obtain a Business Registration to receive its benefits.

### **6) How much will a Business Registration cost?**

The cost is \$45 for the initial registration and \$45 for each renewal year after that. There is no charge for non-profits (see #12) and businesses that also have a specialty license (see #13). The registration certificate will expire each year on December 31. Businesses that have paid ADOR \$50 for a 2018 Chandler TPT License renewal, will *not* be charged the Business Registration fee in 2018 for their first location. Secondary and other locations will be charged the fee. If you do *not* have a TPT License, the Business Registration fee of \$45 for 2018 will be due. In 2019 and beyond, the Business Registration fee remains at \$45 for all business locations; however, the TPT License fee will be reduced from \$50 to \$2, allowing taxable businesses to see a small decrease in overall business licensing costs from \$50 to \$47. The initial fee will be prorated quarterly, depending on when your business starts within the calendar year.

### **7) Do I need a Business Registration if I only sell items a few times per year?**

If you are a casual seller, making sales only four times or fewer per year, you are not required to obtain a Business Registration. However, you have the ability to still obtain a Business Registration to receive its benefits. Keep in mind, this does not have any impact on the taxability of these sales or the potential need for a TPT License with ADOR.

**8) Do I need a Business Registration if I am participating in a Special Event?**

If your business is not based in Chandler but is solely participating in a special event that has been permitted by the City and your business is listed on the special event vendor list, you are not required to obtain a Business Registration. However, if your business is based in Chandler, either at a commercial location or a home, you would already be required to obtain a Business Registration.

**9) Do I need a Business Registration if I only do a garage sale a few times per year?**

If you are only doing garage sales a few times per year (four or fewer), you are not required to obtain a Business Registration. Keep in mind, this does not have any impact on the taxability of these sales or the potential need for a TPT License with ADOR.

**10) How long does it take to obtain a Business Registration?**

A business Registration is typically obtained in less than 10 business days, provided all the information needed is completed at the time we receive the application.

**11) What if I have more than one business?**

A Business Registration is required for each separate physical location and each separate business entity.

**12) If I am operating as a Non-Profit, do I still need a Business Registration?**

Federally recognized non-profit businesses will be required to obtain a Business Registration. However, there is **no** \$45 fee for non-profit groups.

**13) If I apply for a Specialty License (i.e. Mobile Food Unit, Massage Establishment, Liquor License, etc.), do I need a Business Registration too?**

Yes, but the Business Registration will be added as part of your Specialty License application, so there will be no separate \$45 charge.

**14) Do I need a Chandler TPT License through ADOR and a separate Business Registration for the City of Chandler?**

Yes, you will need both a TPT License and a Business Registration for each business location if you are involved in taxable activity. The Chandler fees for the 2018 TPT License at the ADOR will be \$2 (applied for at [aztaxes.gov](http://aztaxes.gov)). You will also need a Business Registration, applied for and received directly from the City of Chandler (\$45 fee), and a Certificate will be issued.

**15) Do I need to display the Business Registration Certificate?**

Yes, we will mail you a Business Registration Certificate that should be posted at your place of business in a conspicuous location for the public to see.

**16) Do I need a Business Registration if I offer piano or music lessons or other tutoring activity from my home?**

Usually not. If you are providing one on one instruction from a non-commercial location, then you will not need a Business Registration.

**17) I sell products or services as an independent sales representative for a company. Do I need to register?**

Usually not. If you are not set up as an LLC, corporation, or partnership, you are most likely exempt. We can walk through your specific situation with you and let you know for sure. Keep in mind, you can choose to be registered in Chandler and realize all the benefits noted in #2 above, even if not required.

**18) I drive for a car service provider (i.e. Uber, Lyft, other taxi service). Do I need to be registered?**

No, there is no requirement for people engaged in that kind of business activity to obtain a Business Registration.

**Should you have additional questions, please call City of Chandler, Tax and License Division at 480-782-2280 and select option 1, or email [licensing@chandleraz.gov](mailto:licensing@chandleraz.gov).**