



Business License Application Fee Worksheet

Registration

You may be eligible to pay a registration fee of \$50 in lieu of a business license fee under the following circumstances.

1. Are the annual gross receipts of your business less than \$12,000? Yes No \$ _____
If yes, stop here. Your registration fee is \$50.

Exemptions:

You may be eligible to register a business license application under this chapter and be exempt from any fees.

1. Are you a qualified **governmental or religious organization**? Yes No

If you engage exclusively in religious activities or governmental functions, or if any of your activities go beyond core religious functions, or if any of your activities go beyond core governmental functions, then skip down to the regular business license section. You will pay a base fee and follow special instructions for calculating the Revenue Generating Regulatory License.

2. **Civic groups, service clubs, and social organizations** Yes No

that are not engaged in any profession, trade, calling, or occupation, but are organized to provide civic, service, or social activities in the city.

3. **Non-Profit organizations exempt from Federal Income Tax** Yes No

(a copy of the 501(c)(3) is required)

If you answered yes to questions 1 - 3, stop here. Your registration fee is \$0. Registration of business and annual updated information required. All other businesses proceed to next section.

If you do not qualify for an exemption or registration fee, the base fee and RGRL will apply as calculated below.

Base Fee: All businesses operating in Kirkland exceeding \$12,000.00 are subject to a base fee of \$100.

Revenue Generating Regulatory License Fee Calculation

How many employees (or Full Time Equivalents), including officer / owner / manager, do you currently employ at this location? If using FTEs, use the FTE calculation worksheet as shown below.

Revenue Generating Regulatory License Fee: FTE x \$100.00 \$ _____

Add the RGRL amount and the base fee. This total amount is your business license tax fee. \$ _____

Definitions:

Qualified Nonprofit Organization - Certain organizations exempt from Federal Income Tax. An organization that files with the City a copy of its current IRS 501(c)(3) exemption certificate issued by the Internal Revenue Service.

Government Organization - A governmental entity that engages solely in the exercise of governmental functions. Activities which are not exclusively governmental, such as some of the activities of a hospital or medical clinic, are not exempt under this chapter.

Religious Organization - A nonprofit business operated exclusively for a religious purpose, upon furnishing proof of the Finance Director of its nonprofit status. For the purposes of this chapter, the activities that are not part of the core religious functions are not exempt.

Full Time Equivalent - A business may choose to calculate the number of employees for the purpose of the Revenue Generating Regulatory License according to the following alternative method based on the number of employee hours worked for the business during the previous year. Where there are employees who work less than the 1,920 hours per year, the total number of hours worked by all such employees during the previous four quarters shall be added together and divided by 1,920. A fraction of .5 or over shall be rounded up. The city may require the business to submit copies of its Washington State Department of Labor and Industries (L & I) reports for the prior four quarters.

If you do not have physical premises within Kirkland but conduct business in Kirkland, you should consider only the number of worker hours spent working in Kirkland or direct hours related to work completed for a customer located in Kirkland.

Note for new Businesses - The Revenue Generating Regulatory License for a business that did not submit reports for each of the last 4 quarters to L & I shall be based on the estimated number of employees of that business. If, during the license year, the City determines that the actual number of employees is significantly different than estimated, then the amount of the Revenue Generating Regulatory License may be recalculated for the new business. If the revised Revenue Generating Regulatory License is higher, the business must pay the difference within 30 days after notification. If the Revenue Generating Regulatory License is lower, then the difference will be refunded within 30 days.

Worker hours reported during the most recent four quarters:

_____ Quarter 1 + _____ Quarter 2 + _____ Quarter 3 + _____ Quarter 4 = _____ Total for four quarters
Divide by _____
_____ *

* A fraction of .5 or over shall be rounded up

Hours worked by persons who are defined as employees for Revenue Generating Regulatory License must be included in the calculation even if the business is not required to report to the Washington State Department of Labor and Industries (L&I) concerning such person.

The City reserves the right to request verification of information provided on the application form and fee worksheet.