

Lowndes County Licensing and Tax Guide

Contents:

Business Licenses	1
Zoning	1
Building Construction/Occupancy	2
Health Permits	2
Tradenname Registration	2
Federal Licenses	3
State Licenses	4
Sales and Use Tax	5
Excise Tax	6
Estimated Federal Income Tax	7
Estimated State Income Tax	8
Insurance	9
Minimum Wages	9
Federal Payroll Taxes	11
State Payroll Taxes	11
Unemployment Taxes (FUTA & SUTA)	11

LOWNDES COUNTY LICENSING AND TAX GUIDE

BUSINESS LICENSE

If you plan to operate a business in Georgia, you must obtain a city or county business license. In some home-based businesses and some county areas outside the incorporated city limits, no license is required. You should discuss your particular situation with the licensing department. Prices will vary dependent upon the location and type of business.

For businesses located within city limits, contact:

City of Valdosta Business License Office
102 Lee Street
Valdosta GA 31601
229-259-3520

For businesses located outside city limits, contact:

Lowndes County Occupational Tax Office
300 North Patterson Street
Valdosta GA 31601
229-671-2534

ZONING

Once you have decided upon a location for your business, you should contact the zoning department to find out the types of uses that are permitted in that area, as well as any specific restrictions. For zoning information, contact:

Valdosta Zoning Administrator
300 North Lee Street
Valdosta GA 31601
229-259-3563

Lowndes Co. Administrator
325 W. Savannah Avenue
Valdosta, GA 31601
229-671-2400

BUILDING CONSTRUCTION/ OCCUPANCY

A building permit must be obtained for both new construction and remodeling in most areas. A 'Certificate of Occupancy' must be issued before occupying and building.

**Building Inspections and Permits Department
City Hall Annex
300 North Lee Street
Valdosta GA 31601
229-259-3506
or
229-259-3565**

HEALTH PERMIT

If your business will involve food processing, handling, storage or distribution, contact:

**Lowndes County Health Department
Environmental Services Division
206 South Patterson Street
Valdosta GA 31601
229-245-2314**

TRADE NAME REGISTRATION

Georgia law requires that every person, firm or partnership doing business in Georgia under a fictitious name that does not disclose the individual ownership (surname) of the business, register its tradename in the office of the Clerk of the Superior Court of the county in which the business is located. If a corporation or limited partnership conducts business under its corporate name or limited partnership name which has been filed with the Secretary of State, then the requirement of trade name registration does not apply. The registration fee is approximately \$25.00.

The Clerk's office will provide the form for filing. You must then publish your notice in the newspaper and file the required affidavit. Notice of the filing of the trade name registration must be published once a week for two weeks in the legal publication of the county in which the trade name was registered. The Valdosta Daily Times newspaper on North Troupe Street (244-1880) will publish your notice. Prices are around \$40.

Failure to register a tradename, however, does not invalidate contracts signed by the unregistered entity. Rather, the court is authorized to assess court costs against the parties who have failed to register the trade or partnership name at the time an action is filed. Thus the registration of a trade name may prevent a company from having to pay all court costs in an action by or against a company.

**Superior Court Clerk
Lowndes County Courthouse
108 East Central Avenue
Valdosta GA 31601
229-333-5127**

FEDERAL LICENSES

Most new small businesses are unlikely to require any type of federal permit or license to operate, unless they are engaged in rendering investment advice, making alcohol or tobacco products, preparing meat products, or making or dealing in firearms. Federal permits or licenses would also be necessary to commence certain large-scale operations, such as a radio or television station or a common carrier, or to produce drugs or biological products. All of the foregoing activities are heavily regulated.

STATE LICENSES

Numerous licensing requirements must be considered prior to establishing a business or practicing certain occupations or professions in the state of Georgia. Listed below are the major Georgia licensing agencies and the activities or businesses under their control. Also listed are the examining boards operated under the purview of the secretary of state, together with the professions and businesses required to be licensed. It is advisable to check the current status of specific licensing requirements with the Georgia Secretary of State, as well as with county and city authorities, when contemplating entering into a new business, occupation, or profession. For general information, contact:

**Professional Licensing Boards Division
Georgia Secretary of State
237 Coliseum Drive
Macon GA 31217-3858
478-207-1300
www.sos.state.ga.us/plb/
E-mail: sosweb@sos.state.ga.us**

**Georgia Secretary of State
South Georgia Regional Office
238 East Second Street
Tifton, GA 31794
229-391-3732
E-mail: sosweb@sos.state.ga.us**

DAY CARE CENTER – STATE LICENSE

**Child Care Resource & Referral Agency
of South Central Georgia @ Tifton
Post Office Box 243, Tifton, GA 31793
1019 Love Avenue, Tifton, GA 31794
888-893-4582 (Toll-Free)**

SALES AND USE TAX

With a limited number of exceptions, every business that sells tangible personal property, such as merchandise, to customers must obtain a seller's permit from the state sales tax agency. Usually, a separate permit must be obtained for each place of business where property subject to tax is sold.

In general, as a wholesaler or manufacturer, you will not have to collect sales tax on goods you sell to a retailer for resale, if the retailer holds a valid seller's permit and provides you a "resale certificate" in connection with the transaction.

Likewise, if your business, as a retailer, buys goods for resale, you need not pay sales tax to the wholesalers if you provide them with resale certificates. You may also buy blank resale certificate forms at most stationery stores in states where such certificates are required.

The sales and use tax laws typically require that a business that sells or leases tangible personal property keep complete records of the gross receipts from sales or rentals whether or not the receipts are believed to be taxable. You must also keep adequate and complete records to substantiate all deductions claimed on sales and use tax returns and of the total purchase price of all tangible personal property bought for sale, lease or consumption in the state.

The sales tax form must be filed, and the taxes paid monthly, unless permission is granted to file on a quarterly basis.

**Georgia Department of Revenue
Regional Office
Douglas, GA
912-389-4094**

**Georgia Department of Revenue
Taxpayer Services Division
1800 Century Boulevard, N.E.
Atlanta, GA 30345-3205
877-602-8477 (Toll Free)
www.etax.dor.ga.gov**

EXCISE TAX

Federal Excise Tax

The federal government imposes a number of excise taxes on various types of business activities. Most federal excise taxes are reported on *Form 720, Quarterly Federal Excise Tax Return*, the most common excise tax form. Federal excise taxes can be broken down into several major categories:

- The motor vehicle highway use tax. This tax is imposed on vehicles of more than 55,000 pounds gross weight.
- Retailers' taxes on certain fuels.

Other retail excise taxes are now imposed on sales of:

- Heavy trucks and trailers
- Tires and tubes
- Recreation equipment such as bows, arrows, fishing rods, reels, lures, and creels.
- Firearms and ammunition
- Transportation taxes on air transportation. If you are in the business of transporting people by air, you may have to collect an excise tax.
- Communications taxes on telephone and teletype services.
- Wagering taxes.
- Tax on coal mined in United States.
- Environmental taxes on petroleum products, various chemicals, and hazardous wastes.
- Taxes on alcohol, firearms, ammunition, and tobacco products.

State Excise Tax

The State of Georgia imposes a number of excise taxes on various types of activities, services and product usage. Examples are alcoholic beverages, motor fuel, cigarettes, motor carriers, and trucks having more than two axles.

ESTIMATED FEDERAL INCOME TAXES

As a sole proprietor or partner in a partnership, you will have to make advance payments or estimated federal income taxes and federal self-employment tax once your business begins to turn a taxable profit. Individual estimated tax payments are due in four annual installments on April 15, June 15, September 15 and January 15 of the following year for an individual whose tax year is the calendar year. Any remaining unpaid federal tax is due with your tax return on April 15 of the following year (which is also the date when the first estimated tax installment is due of that year). An individual files *Form 1040-ES* with his federal estimate tax payments. Note that you must pay 90% of your estimated tax during the year in which the tax is incurred.

If your business is incorporated, the corporation will generally have to make corporate estimated tax payments, if it has taxable income, as early as the fourth month of its first tax year. Federal estimated tax payments should be computed on *Form 1120-W* (which can be obtained, along with other tax forms, from any IRS office) and must be deposited in a bank that is authorized to accept federal tax deposits. The corporate estimated tax deposits must be accompanied by federal tax deposit coupons. Your corporation will be issued one coupon book that contains twenty-three coupons per book, preprinted with your corporate tax identification number. These coupons can be used for deposits of all types of federal taxes.

The coupon books will be sent to you automatically when you file *Form SS-4*, requesting a tax identification number for the corporation. For information regarding Federal income tax returns, contact the IRS website: www.irs.gov.

ESTIMATED STATE INCOME TAXES

A self-employed individual operating a sole proprietorship or partnership is obligated to file and pay Georgia individual estimated taxes which are due on the same dates as the federal estimated taxes - April 15, June 15, September 15, and January 15.

An individual subject to the payment of estimated taxes must complete Georgia Revenue Department *Form 500ES*. Failure to file an estimated return or to pay the proper amount of tax may result in a 9% per annum penalty assessed against the amount of the underpayments.

A corporation subject to the payment of corporate tax in the state of Georgia must file a declaration and pay estimated tax if taxable income can be expected to exceed \$25,000 per year. Generally, the estimated taxes are due on the same dates as federal corporate estimated taxes. The tax returns should be filed on Georgia Revenue Department *Form 602ES*. Failure to file a declaration of estimated tax may result in a 5% penalty as well as a 9% annual interest penalty for underpayment. For information regarding state income tax returns, contact:

**Georgia Department of Revenue
Regional Office
Douglas, GA
912-389-4094**

or

**Georgia Department of Revenue
Georgia Income Tax Division
1800 Century Boulevard, N.E.
Atlanta GA 30345-3205
404-417-4477
800-602-8477 (Toll Free)**

INSURANCE

General Insurance

For most any business, even one that has no employees, insurance coverage for general liability, product liability, fire and similar disasters, robbery, theft, and interruption of business should be considered. For more information, contact: www.gainsurance.org.

Worker's Compensation Insurance

Any business with three or more employees (full or part-time) must carry worker's compensation insurance with a licensed insurance company or must be self-insured. Contact:

State Board of Worker's Compensation
270 Peachtree Street, N.W.
Atlanta, GA 30303-1299
Atlanta GA 30303-7788
404-656-3875
www.ganet.org/sbwc

MINIMUM WAGES

Not all businesses or all employees of a given business are covered by federal and state wage and hour and child labor laws. There are many exceptions. There is no simple way to tell you whether your business will be subject to these laws. You will have to find that out from your attorney or the wage and hour office. The federal minimum wage is \$5.85/hour (2007), \$6.55 (2008) and \$7.25 (2009). Overtime pay requirements also exist. As a general rule, the FLSA prohibits the employment of children less than sixteen years of age, although there are a number of exceptions. For federal information contact:

U. S. Department of Labor Regional Office
124 Barnard Street, Suite B120
Savannah, GA 31401
912-652-4221

www.dol.gov/esa/whd
U.S. Department of Labor
Wage and Hour Referral Line
866-487-9243 (Toll Free)
www.wagehour.dol.gov

For state information contact:

Georgia Department of Labor
221 South Ashley Street
Valdosta GA 31601
229-333-5211
www.dol.state.ga.us

FEDERAL PAYROLL TAXES

Once you begin paying employees, you will find you have become an agent of the government for the purpose of collecting taxes for your employees. You will also find there are payroll taxes imposed directly on you, the employer. You should consult the IRS website www.irs.gov and request a business tax kit or call the IRS at 1-800-829-3676. This kit should contain the *Form SS-4*, which must be filed to receive your Federal Employer's Identification Number. This number will be used in identifying your business on payroll and tax returns. Also make sure your kit contains *Circular E, Employer's Tax Guide*, and an IRS publication that explains federal income tax withholding and social security tax requirements for employers. *Circular E* also contains up-to-date withholding tables that you must use to determine how much federal income tax and social security tax is to be withheld from each employee's paycheck.

In addition to withholding social security tax from an employee's paycheck, the employer must also pay an equal amount of employer's social security tax. The withheld federal income tax, withheld employee social security tax and employer's social security tax are all lumped together and paid over to the government at the same time.

All new employees must fill out federal *Form W-4*. This form is kept by the employer and used to determine how much income tax is to be withheld.

By January 31st of each year, you must furnish each employee with copies of *Form W-2, Annual Wage and Tax Statement*, showing the taxable wages paid to the employee during the preceding year.

For information on withholding social security tax, contact:

Social Security Administration
3120 B North Oak Street Extension
Valdosta GA 31602
229-242-2595
800-772-1213 (Toll Free)
www.socialsecurity.gov

and the IRS : (800) 829-3676 (Toll Free)
www.irs.gov

STATE PAYROLL TAXES

Georgia has a personal income tax and requires an employer to withhold tax payments from employee's wages: *Form G-4, Employees Withholding Allowance Certificate*. A sole proprietorship and partnership are obligated to file and pay Georgia individual estimated taxes which are due on the same dates as the federal estimated taxes. For more information, contact:

Georgia Department of Revenue
Regional Office
Douglas, GA
912-389-4094

UNEMPLOYMENT TAXES – FEDERAL AND STATE

(Required only if you have employees)

With relatively few exceptions, all businesses with employees must pay both federal and state unemployment taxes. These taxes are imposed entirely on the employer. Your business will be required to pay federal unemployment

tax (FUTA) for any calendar year in which it pays wages of \$1500 or more, or if it has one or more employees, even part-time. The federal unemployment tax rate is nominally 6.2% of the first \$7,000 of annual wages per employee. In practice, however, the federal rate is usually only 0.8% since a credit for up to 5.4% is given for state unemployment taxes paid.

The same rules for FUTA liability apply to Georgia unemployment. Georgia's unemployment tax rate differs, depending upon the amount of unemployment claims by former employees. The state unemployment rate is generally 2.7% of the first \$8,500 per employee for a business just starting. Your rate may be lowered after four quarters of unemployment insurance chargeability. For more information, contact:

**Georgia Department of Labor
221 South Ashley Street
Valdosta, GA 31601
P.O. Box 108
Valdosta GA 31603-0108
229-333-5211**

Other Useful Tax Publications

The publications below can be obtained by calling the IRS (800) 829-3676 or by Internet: www.irs.gov.

Publication 587	Business Use of Your Home
Publication 334	Tax Guide for Small Business' Income and other Federal Taxes
Publication 552	Recordkeeping Requirements
Publication 510	Federal Excise Tax
Publication 349	Federal Highway Use Taxes on Heavy Vehicles
Publication 463	Travel, Entertainment, and Gift Expenses
Circular E	Employer's Tax Guide