

Lodging Tax

A lodging tax of 7% of the rental charges is applied to business renting or furnishing rooms, lodgings, or accommodations to transients for the periods of less than 30 continuous days. This tax also applies to charges of personal property used or furnished in the rooms, lodging, or accommodations. The lodging tax is due on the 20th day of the month in which the tax accrues. Penalty and interest are due if the tax is paid after the 20th day of the month in which the tax is due. *The business is required to file a return for each period even if there are no receipts earned.* Any business or individual furnishing rooms, lodgings, or accommodations must be licensed in the City of Auburn.

Leased Parking Spaces

Parking spaces on the second and third level of the Auburn Parking Deck can be leased for a monthly fee of \$100.00. Lease payments are due on the first business day of each month and are considered delinquent if remitted after the 10th. A deposit of \$100 shall be collected at the time the lease agreement is entered into. This deposit will be refunded at the time the lease is canceled provide sufficient notice of cancelation is provided and account is current.

Liquor Tax

All businesses selling liquor at retail within the City of Auburn are to pay a 3% liquor tax on the wholesale purchases made from the Alcohol Beverage Control (ABC) State Store. The City Revenue Office mails monthly invoices for any liquor tax due to the City of Auburn based on the monthly wholesale liquor purchases reported by the Alabama Alcoholic Beverage Control Board to our office.

Record Maintenance

The records of a business or an individual conducting business in Auburn must be accurately reflected in the information reported to the City of Auburn. The business records must be maintained for a period of two to six years depending on the type(s) of business activity being conducted in the City of Auburn. An examination of the business records may be conducted in order to verify that the report(s) submitted to the City of Auburn are in compliance with the Code of the City of Auburn.

Home Based Businesses

If your business is based in a residence located inside the city limits of Auburn, you are required to obtain a certificate of Home Occupancy. Please contact The City of Auburn Planning Department for more information:

334-501-3040

Finance Department Contact Information

Finance Director (334) 501-7221
Revenue Office Manager (334) 501-7224
Revenue Office Main Line (334) 501-7239
Online CSS Help Line (334) 501-7215

Tax and Licensing information may also be obtained directly from the **Revenue Office** located at:

144 Tichenor Avenue, Suite 6
Auburn, Alabama 36830
Email: revenue@auburnalabama.org
Website: www.auburnalabama.org

Business Licenses can be renewed and/or paid at:
selfservice.auburnalabama.org/css/

Inspection Services

171 N Ross Street
Auburn, Alabama 36830
Office: (334) 501-3170
Fax: (334) 501-7295

Planning Department

171 N Ross Street
Auburn, Alabama 36830
Office: (334) 501-3040
Fax: (334) 501-7293

State of Alabama

State of Alabama Department of Revenue
330 Skyway Drive
Auburn, Alabama 36830
(334) 887-9549
www.ador.state.al.us

Lee County Business License

Lee County Probate Office-Business License
215 9th Street
Opelika, Alabama 36801
(334) 745-9761
www.leeco.us

Lee County Health Department

1801 Corporate Drive
Opelika, Alabama 36801
(334) 745-5765

Small Business Development Center at Auburn University

570 Devall Drive
Suite 303, Office 334
Auburn, AL 36832
(334) 844-4220
www.asbdc.org

FINANCE DEPARTMENT GENERAL BUSINESS LICENSE AND TAX INFORMATION



City of Auburn



This brochure has been produced by the City of Auburn Revenue Office to help the business owner and taxpayer have a better understanding of the ordinances that regulate licenses and taxes in the City of Auburn.

Business License General Information

Any company or person conducting business in Auburn is required to obtain a City business license prior to commencing business activity. City business licenses expire on December 31st of each year and a business license must be renewed for each year that the business is in operation. The renewal date is January 1st of each calendar year and any business in operation on or after January 1st of the calendar year must acquire a business license. Delinquent charges on unpaid licenses will be assessed after February 15th of the same calendar year.

Before a new business is started in the City, the owner of the business must complete a *Business Registration* form and pay a license fee. The first year license fee, with the exception of general contractors, is \$100 plus a \$5 issuance fee. A general contractor's first year license fee is \$150 plus a \$5 issuance fee. The renewal license fee varies depending on the type of business. Businesses are classified into categories and each category has a rate that is used to calculate the amount of the license. Most licenses are based on the gross receipts from the previous year. In addition, the following items may apply depending on the nature of your business:

- A Certificate of Occupancy (CO) is required if the business location is newly constructed or remodeled (*Issued by City of Auburn Inspection Services*).
- A health permit is required for all businesses preparing food (*Issued by the Lee County Health Department*).
- A Life Safety inspection is required for all Auburn-based businesses locating in an existing commercial building/space (*Issued by City of Auburn Inspection Services*).
- A Home Occupation Permit is required for all businesses operating from a residence located in the city limits of Auburn (*Issued by the City of Auburn Planning Department*).
- A Zoning Certificate is required for all businesses operating from a commercial location within the city limits of Auburn (*Issued by the City of Auburn Planning Department*).
- The City of Auburn's business licenses are not transferable. If more than a fifty- percent change of ownership occurs or a new federal identification number is obtained, a new business license is required.
- All businesses must publicly exhibit and display the license certificate in the business establishment for which the license was issued (*only valid for one specific location*).

Contract Work License

General contractors, plumbing contractors, and electrical contractors are required to purchase an indemnity bond prior to starting a contract in the City of Auburn. Professions requiring state board licenses must show proof of a State of Alabama licensure board license when applying for a business license in the City of Auburn.

A contractor working on a job in which no permit is required files a contractor's quarterly report. The fee is ¼ of one percent and is due each quarter. Please check with the Revenue Office for specific information regarding the filing of this report.

Residential Rental Business License

A business license is required for owners of residential rental property. The initial license fee is \$105.

The **Residential Rental** is payable quarterly at rate of 1 1/2% of gross receipts. Businesses with gross receipts of less than \$1,000,000 annually may make application to file annually.

The owner is required to register each of the properties on a schedule when the license is obtained and with each annual or quarterly payment.

Commercial Rental Business License

A business license is required for owners of commercial and rental property. The initial license fee is \$105.

The **Commercial Rental** is renewable annually at a rate of 1/40th of 1% of commercial rental receipts.

The owner is required to register each of the properties on a schedule when the license is obtained and with each annual or quarterly payment

Occupation License

Occupation license fees are levied by City ordinance on the salary or wages earned by an individual for work performed within the City of Auburn. Employers usually withhold the occupation license and remit to the City of Auburn quarterly. The fee is 1% of the gross wages earned within the City of Auburn. Wages earned outside of the City of Auburn are not subject to the occupation license fee.

The occupation license is due on or before the last day of the month following the end of the quarter. Penalties and interest shall be assessed on returns and payments received after the delinquent date. ***The business is required to file a return for each period even if the amount to report is zero.***

In addition to the remittance of the quarterly occupation license fee withheld return, business owners are required to submit an annual reconciliation of occupation license fees withheld.

Sales/Use Tax

Sales tax is due from the consumer on retail sales of tangible personal property. The business acts as the agent for the City of Auburn by collecting the sales tax from its customers. The sales tax collected by the business for sales in Auburn is remitted to the City of Auburn.

Use tax is due from the business or individual on items that are purchased for use in the City of Auburn from vendors located outside the City of Auburn and on which a local city sales/use tax has **not** already been paid.

The sales/use tax report is due on or before the 20th day of the month next succeeding the period in which the tax accrues. ***A discount is allowed only for Sales Tax if the tax is paid on or before the 20th day of the month in which the tax is due.*** The maximum discount allowed is \$562.00 per month.

Penalties & interest shall be assessed on tax returns filed and paid after the 20th. ***The business is required to file a return for each period even if there are no taxes collected.*** Businesses with limited sales in Auburn may file the tax quarterly or annually.

You have two options to file sales and /or use tax:

Tax forms can be downloaded from the City of Auburn website: www.auburnalabama.org and filed directly with the Revenue Office by mail, in person, or in the drop box located across from City Hall.

File at the Alabama Department of Revenue online filing site: My Alabama Taxes (MAT) <https://myalabamataxes.alabama.gov>. You must have your jurisdiction account number assigned by the City of Auburn Revenue Office prior to filing the Auburn local tax at the MAT site.

Rental and Leasing Tax

Any person engaged in the business of renting or leasing tangible personal property is required to remit a fee of 2.5 % of the gross receipts derived from the lease of the rental property. One exception, the rate of any automotive vehicle leased for a period of more than one year is 1.25 %.

The rental and leasing tax report is due on or before the 20th day of the month next succeeding the period in which the tax accrues. Penalty and interest are due if the tax is paid after the 20th day of the month in which the tax is due. ***The business is required to file a return for each period even if there are no taxes collected.***

Alcoholic Beverage License

In order to receive a license to sell alcoholic beverages in the City of Auburn, the business must be licensed by the State of Alabama Alcoholic Beverage Control Board and receive Auburn City Council approval prior to selling alcoholic beverages. After receiving approval from the Auburn City Council, the business must provide a copy of the ABC license and remit all applicable license fees and submit all required reports. For establishments licensed to sell both food and alcoholic beverages, the serving of food should constitute 40% of the gross receipts of the establishment.