



FREQUENTLY ASKED QUESTIONS

about the Town of Friday Harbor Business License Program

Whether you are a new or longtime Friday Harbor business, the Town is pleased that you have chosen Friday Harbor as the place to operate your business.

The Town is available to assist you in your business license application. This “FAQ” flyer is intended to help answer questions you may have about the new licensing process. All terms and statements can be found in Chapter 5.04 FHMC - Business License Rules and Regulations.

Please note that certain business activities may be prohibited. The Town’s zoning and building codes regulate the types of uses in designated land use areas and in certain types of structures. To determine the zoning of your property and the types of allowed uses, call or visit the Town Planning Department.

About the Town business license application process:

Q: Why has Town changed its business licensing program?.....	2
Q: What are the primary changes required by law?	2
Q: When is a Town business license required?	2
Q: Am I a “Resident” or “Non-resident” business?	2
Q: May I register my business from a PO Box or PMB located within Friday Harbor?	2
Q: Can you provide me with examples:.....	3
Q: How do I apply for a Town business license?	3
Q: Do I come to the Town to get my license?	3
Q: What is the fee for a business license?.....	3
Q: When do I need to pay for the license fee?.....	3
Q: Does the Town charge Business & Occupation (B&O) Tax on Gross Revenues?.....	3
Q: Will the Town issue a business license if I don’t have my Washington State license?.....	3
Q: What is Friday Harbor’s tax code for sales tax?.....	3
Q: When does my Town license expire?	3
Q: Is a Town business license required for a temporary business?	3
Q: Do I need a separate license for each location?	4
Q: If my business is conducted from my home, do I need a Town business license?	4
Q: If I’m a subcontractor working for a general contractor, do I need a Town business license?	4
Q: What if I don’t obtain a Town business license?	4

Q: Why has Town changed its business licensing program?

All municipalities in Washington State that have business licensing programs are mandated by law to make certain changes by year 2020. The Legislature’s goal is to create online “one-stop shopping” for all of the business owner’s licensing needs.

Q: What are the primary changes required by law?

The primary changes are:

- 1) Adoption of uniform statewide definitions, including “Business” and “Doing Business”.
- 2) Implementing of an exemption for “non-resident” businesses that earn less than \$2,000 annually within the municipality; and
- 3) Partnering with the Department of Revenue Business Licensing Services for program administration and collection of fees.

Q: When is a Town business license required?

Unless specifically exempted, all owners must obtain a business license prior to commencing business within Town limits. This applies to (resident) businesses operating from a fixed location or home occupation in the Town. This also includes out-of-town (non-resident) businesses that provide goods and services in the Town. See exemptions prior to purchasing a Town business license.

Q: Am I a “Resident” or “Non-resident” business?

The 2 categories of business license are “Resident” and “Non-Resident”.

“Resident” businesses have a physical location within Town limits. These include store-fronts or office locations in the professional and commercial zones downtown and home-occupations in residential zones. Resident businesses are not eligible for the “threshold” exemption; however, Town provides for other exemptions. See Chart for examples.

“Non-resident” businesses have a physical location outside of Town limits but provide sales or services inside Town limits by representatives of that business. Non-resident businesses are eligible for the “threshold” and other exemptions. See Chart for examples.

Q: May I register my business from a PO Box or PMB located within Friday Harbor?

A post office (PO) box or private postal mailbox (PMB) address may be used as the mailing address of record for receiving information regarding a Friday Harbor business license; however, a PO Box or PMB address does not constitute a business location for business licensing purposes. A PO Box or PMB address cannot be substituted as the business location address for any business, whether physically located within Friday Harbor or located outside of the Town.

Q: Can you provide me with examples:

See Exemption Chart provided on the Town website or Chapter 5.04 FHMC regarding exemptions.

Q: How do I apply for a Town business license?

Visit <http://bls.dor.wa.gov/citycounty.aspx> and follow the step-by-step instructions.

Q: Do I come to the Town to get my license?

No. The Town partners with Washington State Business Licensing Services to administer its business licensing program. However, the Town is happy to answer any questions you may have regarding the licensing process.

Q: What is the fee for a business license?

The Town of Friday Harbor business license fee is \$50 annually. The first year may be prorated to coincide with your State of Washington master business license and other endorsements.

Q: When do I need to pay for the license fee?

All licensing fees are paid at the time of application.

Q: Does the Town charge Business & Occupation (B&O) Tax on Gross Revenues?

No. The Town of Friday Harbor does not charge B&O taxes.

Q: Will the Town issue a business license if I don't have my Washington State license?

No. Unless an exemption exists, a valid Washington State master business license is required for approval of a Friday Harbor business license.

Q: What is Friday Harbor's tax code for sales tax?

The sales tax code for Town is 2801. All sales tax collected for goods and services performed in Friday Harbor should be remitted using this code. The current sales tax rate for the Town of Friday Harbor is 8.3%.

Q: When does my Town license expire?

Friday Harbor business licenses are valid for twelve months. During 2019, it is likely that most licenses will be prorated to accommodate the new online services through BLS.

Q: Is a Town business license required for a temporary business?

Town offers temporary 30-day licenses for certain activities. Otherwise, a business license is required. Contact the Town Clerk at (360) 378-2810 to determine if a temporary license is appropriate.

Q: Do I need a separate license for each location?

Yes. A separate Town business license is required for each permanent business location in the Town. In addition, if more than one business is operated from a single location, a separate Town business license is required for each business.

Q: If my business is conducted from my home, do I need a Town business license?

Yes. Home occupation businesses are required to have a business license. Before applying for a license, check with the Town Planning Department to determine if home based activities are allowed in your residential area.

Q: If I'm a subcontractor working for a general contractor, do I need a Town business license?

Yes. Subcontractors conduct business and are subject to the rules and regulations of the Town business licensing program.

Q: What if I don't obtain a Town business license?

It is a misdemeanor to do business in the Town of Friday Harbor without a license. Any person convicted of a misdemeanor under the provisions of Chapter 5.04 FHMC shall be subject to fines. The Town may take other actions to gain compliance.