



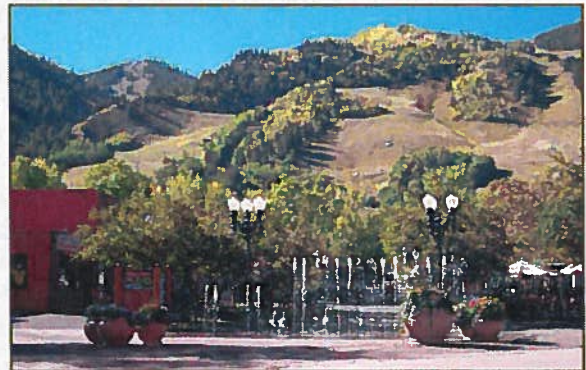
## FAQ #2— BUSINESS LICENSES

### Who needs a business license?

The City of Aspen requires that any entity doing business within the City limits, either directly or indirectly, obtain a Combined Sales Tax and Business License. This includes businesses making retail sales and businesses that provide services only. A business with more than one establishment engaged in business in the City would also need to obtain a separate license for each location.

You are considered engaged in business if you:

- Send one (1) or more employees, agents, or sales persons into the City to solicit business or to install, assemble, repair, service or assist in the use of products or for demonstration or other reasons; (i.e., locksmith, electrician, plumber)
- Maintain one (1) or more employees, agents, or sales persons on duty at a location within the City; (i.e., contractors with employees working and on job sites located within City limits)
- Own, lease, rent or otherwise exercise control over real or personal property within the City; (i.e., renting your home for any length of time)
- Make more than one (1) delivery into the City within a twelve (12) month period; (i.e., florist)
- Directly, indirectly or by a subsidiary, maintain a building, store, office, salesroom, warehouse or other place of business within the City. (i.e., retail or service shop located within City limits)



### In addition to obtaining a business license, do I need to pay occupation tax?

No. When you pay your business license fee, you satisfy the City's occupation tax requirements. These two items are discussed in different sections of Aspen's Municipal Code and may be confusing to the taxpayer, but there is only one fee.

### Wait...I'm confused. I have a contractor's license with the City. Do I still need a business license?

Yes, absolutely. The purpose of a contractor's license is to provide an opportunity to contract for the construction, alteration, or repair of any structure and any type of construction and occupancy group as permitted by the International Building Code. The contractor's license is industry specific and if you hold this license it does not excuse you from also needing a business license.

A business license is required if you or your business is engaged in business, either directly or indirectly, as defined earlier in this document. As a contractor working within the City limits, you have employees at the job site performing construction related activities conducted for a profit. These activities constitute doing business and a business license is required.

**But I don't have a physical presence in the City. Do I really need a business license?**

Most likely. If you are providing any type of service, bringing goods into the City, and/or deriving profit within City limits, you are engaged in business within Aspen and therefore, a business license is required. There are a few exceptions though. These include:

- A license is NOT required of any person who makes a single delivery in the City within a year.
- A license is NOT required for any institution or organization which is conducted, managed or carried out for the benefit of charitable, municipal, or public purposes from which profit is not derived, either directly or indirectly, by any individual, firm or corporation.
- A license is NOT required for the conducting of any entertainment, dance, concert, exhibition or lecture on scientific, historical, literary, religious or moral subjects, whenever the entire receipts from the same are to be appropriated to or such projects are conducted under any church or school or any religious, nonprofit or benevolent organization.
- A license is NOT required for the conducting of any entertainment, dance, concert, exhibition or lecture whenever the entire receipts from the same are to be appropriated to an association or organization from which profit is not derived, either directly or indirectly, by any individual, firm or corporation.
- A license is NOT required for a casual sale, which is defined as an individual, single or incidental transaction which in itself does not constitute the carrying on of business.

**How much does a business license cost?**

Computation of the annual business license is based on the estimated monthly average full time employees of your business. The fee is for each calendar year (January 1 through December 31). Current rates are:

0-5 employees.....	\$150
6-15 employees.....	\$200
16-49 employees.....	\$400
50 or more employees....	\$750
Liquor license holders*...	\$0
Not for profit** .....	\$0

\*Liquor license holders are not required to obtain a business license. Liquor licenses are handled by the City Clerk's office. More information can be found at: <http://www.aspenpitkin.com/Departments/Clerk/Liquor-Licensing/>

\*\*IRS Section 501(c)3 certificate required

**Does the City prorate the annual fee based on when the business started?**

No, the City does not prorate the annual business license fee, regardless of when you start your business. The fee is based on a calendar year.

**Do I have to get a new business license every year?**

Yes, you must renew your business license each year and pay the annual fee based on the estimated monthly average full time employees of your business.

If you have any questions about this FAQ, please contact the City of Aspen's Finance Department at (970) 920-5029 or email [Aspen\\_sales\\_tax@ci.aspen.co.us](mailto:Aspen_sales_tax@ci.aspen.co.us)

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