

Special Business Report

September 4, 2009



Effective October 1, 2009

The Office of the Secretary of State will issue the annual State Business License to ALL Nevada businesses

Effective October 1, 2009, Nevada Secretary of State Ross Miller's office will be responsible for issuing the State Business License. The business license is required of all entities who are conducting business in this state.

The 2009 Legislature approved AB 146, which transfers the authority to issue annual State Business Licenses and collect the State Business License fee from the Department of Taxation to the Secretary of State.

Secretary of State Ross Miller says his goal is to make Nevada the gold standard for business services in the country. "The consolidation of the business license program with the other services my office provides is the first step toward creating an online portal service like no other state offers," he said. "We will be reaching out far and wide into the business community to let them know of these improvements. We look forward to better serving Nevada businesses."

The change in the administration of the State Business License will enable businesses to apply, pay the license fee, and be issued a state business license online at www.nvsos.gov. Online payment options will be expanded to include debit card, e-check, credit card or a trust account.

Business entities formed under Title 7 of the Nevada Revised Statutes that are required to file an Initial or Annual List of officers will file for their annual State Business License at the time the Annual List is filed. The business' annual \$200 business license fee may be prorated based on when their current State Business License expires. Other businesses, such as sole proprietorships and partnerships, will file with the Secretary of State for a renewal of their existing license not later than the date of expiration or apply for a license when they begin conducting business in Nevada.

Turn the page for the answers to some frequently asked questions...

The Nevada State Business License*

Frequently Asked Questions...

*More detailed information can be found at www.nvsos.gov/licensing

What is the State Business License and who is required to file?

- ◆ State law requires that every person or entity doing business in the State of Nevada obtain a business license annually. A business that meets the criteria shall not do business in Nevada without the State Business License. Certain businesses may be exempt from the State Business License requirement.

What businesses are exempt from the State Business License requirement?

- ◆ Nonprofit corporations formed under Nevada Revised Statutes (NRS) Chapter 82 and Corporations Sole formed under NRS Chapter 84 are specific exceptions and are not required to submit a State Business License application. Additional limited exemptions are defined in Title 7 of the NRS. Those businesses must still submit the initial form and state the specific exemption.

What constitutes “doing business” in Nevada?

- ◆ Pursuant to Title 7 of the NRS and for the purposes of the State Business License, “business” means:
 - 1) any person, except a natural person, that performs a service or engages in a trade for profit,
 - 2) any natural person who performs a service or engages in a trade for profit and is required to file with the Internal Revenue Service a Schedule C (Form 1040) Profit or Loss from Business Form, a Schedule E (Form 1040) Supplemental Income and Loss Form, or a Schedule F (Form 1040) Profit or Loss From Farming Form,
 - 3) or any entity formed pursuant to Title 7 of the NRS, including, without limitation, those entities required to file with the Secretary of State.

How do I obtain/apply for a State Business License?

- ◆ Effective October 1, 2009, a business must apply for the State Business License with the Office of the Secretary of State. For Title 7 entities, the application for a business license is part of the Initial List or Annual List of Officers filing and can be filed online as www.nvsos.gov, by mail, or in person. All filings must be accompanied by all appropriate fees at the time of filing or the filing will be rejected and additional fees and penalties may apply.

What is the cost of the State Business License and when is it due?

- ◆ The State Business License fee is \$200 per year. It must be renewed annually. For entities that are formed under NRS Title 7, the business license fee is due at the time an Initial List of Officers or Annual List of Officers is due.

My State Business License expires before my Annual List is due. Will I have to pay more?

- ◆ Not in the end. A so-called “gap” entity is a Title 7 business whose business license expires before the Annual List is due. To maintain its State Business License, the entity must file a State Business License application and pay the full application fee. The entity will be required to pay a prorated business license fee when it files its Annual List, and the State Business License expiration date will be adjusted to coincide with the Annual List due date. A Title 7 entity that has a current State Business License that expires AFTER the Annual List is due may receive a credit for the unused portion of its existing State Business License fee when it files its next Annual List.

What are the State Business License requirements for non-Title 7 businesses?

- ◆ For the answer to this and many other frequently asked questions, please visit the Licensing Center at www.nvsos.gov/licensing.