

BUSINESS LICENSES

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The State of California regulates many trades, professions, businesses and occupations and requires certain licenses since California has an interest in protecting the health and safety of its residents. For example, general contractors, medical doctors, real estate brokers, beauticians, etc. must all pass California state licensing examinations. The California Department of Economic and Business Development publishes the "California License Handbook" which lists sources of licensing requirements, regulating agencies, and information about licensing procedures. This handbook may be obtained for a small fee from the State of California Office of Small Business Development in Sacramento.

If the business will be engaged in retail sales, you must also have a Resale Permit from the California State Board of Equalization. The Resale Permit should allow you to avoid paying state sales taxes on wholesale purchases.

Almost all cities require that all businesses which are doing business within the city limits to obtain a local city business license. You should visit your local City Hall office for the business license application forms. The business license fees vary from city to city. Some business license fees are a flat fee, whereas some business license fees are calculated based upon the annual gross receipts of the business. Failure to obtain the applicable licenses from the State of California and the local cities in which the business is doing business is punishable by fines or imprisonment, or both.

You can generally find the applicable telephone numbers and addresses of the various state, county and city government offices by looking in the front section of your telephone book.