

# BUSINESS LICENSE RESOURCES FOR ARTISTS



*General advice about the business side of the arts*

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## DO I NEED A BUSINESS LICENSE?

If you're out to make money at what you paint, sculpt, carve, or otherwise create, you may want to consider getting a business license. The Internal Revenue Service makes distinctions about [what constitutes a hobby versus what is a business](#). It is important that you know your facts.

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## WHERE DO I GET A BUSINESS LICENSE?

At the Small Business Administration site, check out the [handy License and Permit page](#), which allows you to fill in your location and business type (or put in General Licensing), after which you'll receive another page, full of more links. You can also click on your state directly.

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## STATE BUSINESS LICENSES

Those who live and work in Washington State who gross over \$12,000 a year from art-making activities or generate income from the retail sale of their art must obtain a business license from the state. However, any Washington state artist regardless of their income as an artist can still obtain a business license, and you don't have to be earning money to do so.

To obtain a business license from the state you must fill out a four-page Master Business Application. Contact the Washington State Department of Licensing Master License Service to receive an application and information on starting a new business. The application fee is \$19. Or apply online: [www.bls.dor.wa.gov](http://www.bls.dor.wa.gov)

A Unified Business Identifier number, or UBI number, is assigned after you complete your application. This number is used by state agencies involved in business regulation, taxation and registration.

The nine-digit UBI number also allows you to purchase items (materials, supplies, etc.), that will be incorporated into an artwork for resale, **without paying retail sales tax**. The UBI number is your resale number. The UBI number also makes it possible for you to purchase products/materials from companies that only serve wholesale clients.

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## WHAT ABOUT RETAIL SALES TAX?

Any artist who charges retail sales tax when selling their artwork must obtain a business license. If you are selling your artwork to a retail consumer or client you must charge sales tax. When you sell to a wholesale client (someone who resells your work) you do not charge sales tax.

Sales tax registration and all other necessary state registrations and licenses including trade name registration are included in the Master Business Application. There is no fee for tax registration.

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## WHAT ABOUT MY TRADE NAME?

An artist's trade name or "doing business as" name must be registered with the Washington Department of Licensing when you apply for a business license. A trade name is any name used in the course of business that does not include the full legal name of the owner of the business. There is a \$5 fee for each name you register. This registration does not provide protection of the name. Federal and/or state trademark registration is required in providing name protection.

To see if a trade name you wish to use is already registered, check the Washington Department of Licensing's trade name search online at <http://www.bls.dor.wa.gov/tradename.aspx>. You can also search this database by mail. The cost is \$4 to search up to 3 names. To request a search by mail, send a letter with your return address, a list of the names you want to research, and a check or money order to pay the fee to:

Business Licensing Service

State of Washington

PO Box 9034

Olympia, WA 98507-9034

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## WHAT IF I HAVE MORE QUESTIONS ABOUT STATE BUSINESS LICENSES?

The State of Washington Business Licensing Service has a great website full of information at [www.bls.dor.wa.gov/](http://www.bls.dor.wa.gov/). You can also call 1-800-451-7985 or email [bls@dor.wa.gov](mailto:bls@dor.wa.gov).

The Washington State Department of Licensing website provides contact information for proper licensing with state and local governments based on your business activity. After entering information about the business you are starting, you will be able to print a sheet of referrals. You will also be able to download some of the application forms you will need or request that they be mailed to you. INFO: [www.dol.wa.gov/business/](http://www.dol.wa.gov/business/).

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## WHAT ABOUT A CITY BUSINESS LICENSE?

City business licenses may be required for business activity within the city limits of any city. Spokane requires all businesses to be licensed with the city if they are:

- Located within city limits, or
- Conducting business within city limits

If you don't know if you do business within city limits, call the city at (509) 625-6070 before applying. If more than one business is located in a single premise, you must complete a separate registration for each business conducted.

Spokane business license link – <http://bls.dor.wa.gov/cities/spokane.aspx>

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## WHAT IF I WANT TO START A NONPROFIT BUSINESS?

First you must register with the Office of the Secretary of State as a nonprofit corporation under Chapter 24.03 RCW and submit a copy of their 501(c)3 or 501(c)4. Washington State Secretary of State click [here](#)

Next, you should obtain a tax exemption letter issued by the IRS. Find more information [here](#)

Finally, you should get a nonprofit business license from the City of Spokane found [here](#)

Low Cost Legal Help from Gonzaga University click [here](#)