



March 13, 2023

You are receiving this letter because you may have employees working in Vancouver, Washington. We want to make you aware of changes to Vancouver's business license fees that will go into effect on April 1, 2023.

The changes to fees as outlined in this letter were made to respond to community priorities identified in the City's recent budget adoption process. The changes to the fees will be invested in increased police services, park playground replacements, new roads, and economic development and job creation programs. The changes will also reduce the fee burden on the smallest businesses in Vancouver, and those conducting limited business in the city.

The City of Vancouver requires a City business license be held by each business that has employees that engage in business within the city, including a business that is located outside the city that has employees working remotely from home or elsewhere in the City. License fees are determined by a business's gross annual income generated in the city, and by hours worked by its employees engaged in business in the city, including employees working remotely. A description of city business license requirements and fees can be found at cityofvancouver.us/businesslicense.

The income criteria for charging the new fees will increase. A for-profit business that reports generating a gross annual income in the city of more than \$50,000 will be charged the new Business License Fee plus new Business License Fee Surcharge. A table is included below to show the new fees.

For the purposes of determining the amount of Business License Fee Surcharge (employee fee), the number of "employee" hours in 12-month period that is reported by an applicant or renewing license holder will be divided by 1,664 hours; and the resulting number multiplied by the applicable surcharge fee rate (\$105, as of April 1, 2023).

The definition of "employee" includes pay-rolled employees, owners, managers, partners, and officers that work in the city. The Business License Fee Surcharge (employee fee) is only applicable to businesses that are earning more than \$50,000 in the City. It is the responsibility of the business to determine and accurately report the annual gross income on a license application or renewal questionnaire. The city developed a calculator for estimation purposes, visit cityofvancouver.us/feecalculator.

Summary of Vancouver Business License Fees as of April 1, 2023

Reported Gross Annual Income in City	Fee Per License	Employee Fee Per Calculated Employee	Minimum Total Fee
\$0 - \$2,000	\$0.00	\$0.00	\$0.00
> \$2,000 - \$50,000	\$50.00	\$0.00	\$50.00
> \$50,000	\$300.00	\$105.00	\$405.00 *

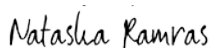
*This amount is minimum to be charged to applicant or renewing license holder that reports generating a gross annual income in city of >\$50,000 and has 1 calculated employee.

Non-profit organizations and employee-fee exempt businesses will continue to be excused from the Business License employee fee.

Vancouver business license applications and renewals continue to be processed by the city's licensing partner, the Washington State Department of Revenue, Business Licensing Service. To apply for a Vancouver business license or complete a renewal, visit <https://secure.dor.wa.gov/home/>. For assistance, contact the Department of Revenue's Business Licensing Service at 360-705-6741 or bls@dor.wa.gov.

For more details about City business license fee changes or translated materials in Español, Русский, Tiếng Việt, 中国人 and Chuukese, visit cityofvancouver.us/businesslicense or contact Vancouver business licensing staff at business.licenses@cityofvancouver.us or 360-487-8410 option 3.

Thank you,



Natasha Ramras
Chief Financial Officer