

Lodging Tax

A lodging tax of 7% of the rental charges is applied to business renting or furnishing rooms, lodgings or accommodations to transients for periods of less than 30 continuous days. This tax also applies to charges of personal property used or furnished in the rooms, lodging or accommodations. The lodging tax is due on the 20th day of each month in which the tax accrues. A late penalty and interest will apply if the tax is paid after the 20th of the month it is due. **Businesses are required to file a return for each period even if there are no receipts earned.** Any business or individual furnishing rooms, lodgings or accommodations must be licensed in the City of Auburn.

If you rent your home or properties for game days and do not use an intermediary site such as AirBnB or VRBO, lodging tax is required.

Liquor Tax

All businesses selling liquor at retail within the City of Auburn are to pay a 3% liquor tax on the wholesale purchases made from the Alcohol Beverage Control (ABC) State Store. The City Revenue Office mails monthly invoices for any liquor tax due to the City of Auburn based on the monthly wholesale liquor purchases reported by the Alabama Alcoholic Beverage Control Board to our office.

Leased Parking Spaces

Parking spaces on the second and third level of the Municipal Parking Deck can be leased for a monthly fee of \$100.00.

Lease payments are due on the first business day of each month and are considered delinquent if remitted after the 10th. A deposit of \$100 shall be collected at the time the lease agreement is entered into. This deposit will be refunded at the time the lease is canceled provided sufficient notice of cancelation is provided and the account is current.

Record Maintenance

The records of a business or an individual conducting business in Auburn must be accurately reflected in the information reported to the City of Auburn.

The business records must be maintained for a period of two to six years depending on the type(s) of business activity being conducted in the City of Auburn. An examination of the business records may be conducted in order to verify that the report(s) submitted to the City of Auburn are in compliance with the Code of the City of Auburn.

Home Based Businesses

If your business is based in a residence located inside Auburn city limits, you are required to obtain a Certificate of Home Occupancy.

Contact the COA Planning Department for more info.

Contacts

COA Revenue Office

334-501-7239

Online Payment Help

334-501-7239

COA Inspection Services

334-501-3170

webcodes@auburnal.gov

COA Planning Department

334-501-3040

webplanning@auburnal.gov

Alabama Department of Revenue

334-887-9549

revenue.alabama.gov

Lee County Health Department

334-745-5765

alabamapublichealth.gov/lee





Business License & Tax Information

Revenue Office
144 Tichenor Ave, Ste 6
Auburn, AL 36830

**Business licenses can be
renewed and/or paid at**

auburnal.gov/pay

 (334) 501-7239
 revenue@auburnal.gov
 auburnal.gov/revenue

Easy to love. HARD TO LEAVE.

Business Licenses

General Information

Any company or person conducting business in the City of Auburn (COA) is required to obtain a City business license prior to commencing business activity.

City business licenses expire on Dec. 31 each calendar year and must be renewed for each year that the business is in operation. The renewal date is Jan. 1 of each calendar year. Any business in operation on or after Jan. 1 must acquire a business license. Delinquent charges on unpaid licenses will be assessed the same calendar year after Feb. 15.

Before starting a new business, the business owner must complete a **Business Registration Form** and pay a license fee. The first year license fee, with a few exceptions, is \$100 plus a \$5 issuance fee.

The renewal license fee varies depending on your type of business. Businesses are classified into categories with rates used to calculate the renewal license amount. Most licenses are based on gross receipts from the previous year.

Depending on the nature of your business, the following items may also apply:

- Certificate of Occupancy (COA Inspection Services)
- Health Permit (Lee County Health Department)
- Home Occupation Permit (COA Planning)
- Life Safety Inspection (COA Inspection Services)
- Zoning Certificate (COA Planning)

COA business licenses are not transferable. If a 50% or higher change of ownership occurs, or if a new federal identification number is obtained, a new business license is required.

All businesses must publicly exhibit and display the license certificate in the business establishment for which the license was issued.

The business license certificate is only valid for one specific location.

Contract Work License

General, plumbing and electrical contractors are required to purchase an indemnity bond prior to starting a contract in the City of Auburn. Professions requiring state board licenses must show proof of a **State of Alabama licensure board license** when applying for a business license in the City of Auburn.

See the Contractors & Subcontractors Brochure or visit auburnal.gov/revenue for more information.

Alcoholic Beverage License

Businesses must be licensed by the Alabama ABC Board and receive Auburn City Council approval prior to selling alcoholic beverages in the City of Auburn.

After receiving Auburn City Council approval, the business must provide a copy of the ABC license, remit all applicable license fees and submit all required reports to the COA Finance Department. For establishments licensed to sell both food and alcoholic beverages, the serving of food should constitute more than 50% of the gross receipts of the establishment.

Contact the ABC Board to apply for licensing to sell and/or serve alcoholic beverages.

Residential Rental License

A business license is required for owners of residential rental property. The initial license fee is \$105.

The **Residential Rental** is payable quarterly at rate of 1.5% of gross receipts. Businesses with gross receipts of less than \$1 million annually may make application to file annually. The owner is required to register each of the properties on a schedule when the license is obtained and with each annual or quarterly payment.

Commercial Rental License

A business license is required for owners of commercial and rental property. The initial license fee is \$105.

The **Commercial Rental** is renewable annually at a rate of 1/40th of 1% of commercial rental receipts. The owner is required to register each of the properties on a schedule when the license is obtained and with each annual or quarterly payment.

Occupation License

Occupation license fees are levied by City ordinance on the salary or wages earned by an individual for work performed in the City of Auburn. Employers withhold the occupation license and remit to the City of Auburn quarterly. The fee is 1% of gross wages earned within the City of Auburn. Wages earned outside of Auburn city limits are not subject to the occupation license fee.

The occupation license is due on or before the last day of the month following the end of each quarter. Penalties and interest shall be assessed on returns and payments received after the delinquent date. **Businesses are required to file a return for each period even if the amount to report is zero.** In addition to the return, business owners are required to submit an annual reconciliation of occupation license fees withheld.

Taxes

Sales & Use Tax

Sales tax is due from the consumer on retail sales of tangible personal property. The business acts as the agent for the City of Auburn by collecting the sales tax from its customers. Sales tax collected by the business for sales in Auburn is remitted to the City.

Use tax is due from the business or individual on items that are purchased for use in the City of Auburn from vendors located outside the City of Auburn and on which a local city sales/use tax was not collected.

The sales/use tax report is due on or before the 20th day of the month next succeeding the period in which the tax accrues. A discount (maximum \$562 per month) is allowed only for Sales Tax if the tax is paid on or before the 20th day of the month in which the tax is due.

Penalties and interest shall be assessed on tax returns filed and paid after the 20th. **Businesses are required to file a return for each period even if no taxes were collected.** Businesses with limited sales in Auburn should contact the COA Revenue Office for filing options.

There are two options to file sales and/or use tax:

1. Download tax forms from auburnal.gov/revenue and file directly with the COA Revenue Office.
2. File with the Alabama Department of Revenue online at myalabamataxes.alabama.gov. You must have your jurisdiction account number assigned by the City of Auburn Revenue Office prior to filing the Auburn local tax online.

Rental & Leasing Tax

Any person engaged in the business of renting or leasing tangible personal property is required to remit a fee of 2.5% of the gross receipts derived from the lease of the rental property. One exception, the rate of any automotive vehicle leased for a period of more than one year is 1.25%.

The rental and leasing tax report is due on or before the 20th day of the month next succeeding the period in which the tax accrues. Penalty and interest are due if the tax is paid after the 20th day of the month in which the tax is due. **Businesses are required to file a return for each period even if there were no taxes collected.**