

## REGISTER A PARTNERSHIP OR TRADE NAME

You must register partnerships and trade/fictitious names with the State Corporation Commission. A small fee is required. For information contact:

State Corporation Commission  
P O Box 1197  
Richmond, VA 23218  
(800) 552-7945  
[www.scc.virginia.gov](http://www.scc.virginia.gov)

## REGISTER A CORPORATION

All corporations conducting business in Virginia must be registered with the State Corporation Commission.

State Corporation Commission  
P O Box 1197  
Richmond, Virginia 23218  
(800) 552-7945  
[www.scc.virginia.gov](http://www.scc.virginia.gov)

## PLANNING & DEVELOPMENT DEPARTMENT

You will be required to get approval from the Planning and Development Department. All signs for your business must be approved through the Planning and Development Department. For more information contact:

Planning and Development Department  
300 E. Washington Street  
Lexington, VA 24450  
540-462-3704

## FEDERAL EMPLOYER IDENTIFICATION NUMBER

Every employer is required to have a Federal Employer Identification Number. To apply for the number, file Federal Form SS-4, which may be downloaded at [www.irs.gov/pub/irs-pdf/fss4.pdf](http://www.irs.gov/pub/irs-pdf/fss4.pdf)

## EMPLOYEE INCOME TAXES

Employers are required to withhold Social Security (FICA) taxes from the wages of employees. You are liable for the taxes whether or not they have been collected. You are also required to withhold income taxes for your employees.

## UNEMPLOYMENT TAX

This tax also known as FUTA, is assessed on the employer only. An annual tax return, Form 940, must be filed by January 31. You can make quarterly deposits to any authorized bank using Form 8109.

## INDIVIDUAL, PARTNERSHIP & CORPORATE INCOME TAX

You must also file individual (for the sole proprietor, Schedule C), partnership and corporate income taxes with the IRS. Internal Revenue Service Publication 334, Tax Guide for Small Businesses, discusses all of the above taxes in more detail.

## RETAIL SALES TAX

Every individual, partnership, corporation, etc. engaging in business as a retail dealer in Virginia is required to register with the Department of Taxation, P O Box 6-L, Richmond, VA 23282 to obtain a Certificate of Registration. You can also register on line at [www.tax.virginia.gov](http://www.tax.virginia.gov). Dealers are required to collect the retail sales tax, make regular deposits, and file the appropriate reports. Lexington's Locality Code is 678. 5.3%

## ROCKBRIDGE-LEXINGTON HEALTH DEPARTMENT

300 White Street  
Lexington, VA 24450  
540-463-3185, ext. 126

Food service establishments, tourist establishments (hotels, motels, bed and breakfast facilities), child care facilities, adult care facilities, assisted living facilities, and nursing homes must make application with the health department.

## LOCAL TAXES

### MEALS TAX

Every restaurant, caterer, operator of convenience store(s) or grocery delicatessen(s), being individual, partnership, corporation, etc., engaged in the business of selling meals is required to register with the Commissioner of the Revenue, collect the tax, and file the appropriate returns. As of 7/1/15 6%.

### TRANSIENT OCCUPANCY TAX

Every hotel, motel, bed & breakfast, or other lodging place that, for compensation, furnishes lodging to any transients shall levy on each and every transient, the appropriate tax. Those entities collecting tax shall register with the Commissioner of the Revenue and file the proper returns. As of 7/1/15 8%.

### SHORT TERM RENTAL TAX

Every person engaged in the short-term rental business is required to register with the Commissioner of the Revenue, collect the tax, and file the appropriate returns. 1%

### BUSINESS LICENSE TAX

The Commissioner of the Revenue assesses the Business, Professional, and Occupational License. Most license taxes are levied upon the gross receipts, and the rate varies with the type of business you intend to engage in. To avoid penalties and interest, you are required to obtain a business license within 30 days of when you begin to conduct business. You also will need a business license if you receive a Misc.1099 and/or file a Schedule C. A business license is required for each definite place of business. The license is renewable each year on or before March 1. License covers Jan 1 - Dec 31.

### BUSINESS TANGIBLE PERSONAL PROPERTY

#### TAX & MACHINERY & TOOLS

The City of Lexington levies a tax on tangible personal property and machinery & tools employed in a trade or business (furniture, fixtures, machinery and tools). A return must be filed with the Commissioner of the Revenue, that itemizes personal property and/or equipment employed in the business giving the date of acquisition and original acquisition costs. You must file the return by March 15. Assessment begins Jan 1.

## **ALCOHOLIC BEVERAGE LICENSE**

The Alcoholic Beverage Commission exercises control over the importation and sale of alcoholic beverages other than beer and wine.

The Commission issues licenses for the manufacturer of liquors, the wholesaling of beer and wine, the sale of beer and wine and the sale at retail of spirits by the drink. For information contact:

**Alcoholic Beverage Control**  
**38 Professional way, P O Box 1**  
**Verona, VA 24482**  
**540-332-7800**  
[www.abc.virginia.gov](http://www.abc.virginia.gov)

## **WORKERS' COMPENSATION**

Any employer who has three or more regular employees is required to furnish workers' compensation insurance coverage, at no cost to the employees. The insurance may be purchased through a private insurance company or the employer can apply to the Industrial Commission to be a self-insurer.

For information contact:

**Virginia Workers' Compensation Commission**  
**1000 DMV Drive**  
**Richmond, Virginia 23220**  
**877-664-2566**  
[www.vwc.state.va.us](http://www.vwc.state.va.us)

Contact the local Chamber of Commerce for business counseling with the information provided below.

**Lexington/Rockbridge Chamber of Commerce**  
**18 E Nelson Street, #101**  
**Lexington, Virginia 24450**  
**540-463-5375**  
[www.lexrockchamber.com](http://www.lexrockchamber.com)

# **OPENING A NEW BUSINESS IN THE CITY OF LEXINGTON**

**Any Questions Contact:**

**Commissioner: Karen T. Roundy**  
**540-462-3754**

**Chief Deputy Commissioner: Heidi Reynolds**  
**540-462-3701**

**Deputy Commissioner: Beth Armstrong**  
**540-462-3755**

**Office Hours:**

**Monday - Friday 8:00 a.m. - 5:00 p.m.**



**Tax and license requirements that may  
be applicable**

**City of Lexington**  
**Commissioner of the Revenue**

*Karen T. Roundy*

*City Hall*

*300 E. Washington Street*

*Room 103*

*Lexington, Virginia 24450*

*540-462-3701*

[www.lexingtonva.gov](http://www.lexingtonva.gov)