



SENATE BILL 544: State Business License

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2015-2016 General Assembly

Committee:	Senate Finance	Date:	June 10, 2015
Introduced by:	Sens. Rabin, Curtis	Prepared by:	Cindy Avrette
Analysis of:	PCS to First Edition S544-CSRBf-25		Committee Counsel

SUMMARY: *The proposed committee substitute for Senate Bill 544 removes the original contents of the bill and substitutes a business license requirement for sole proprietorships and general partnerships. The PCS distributed in committee differs from the one sent last night in the following ways: it incorporates changes suggested by the Department of Revenue and it allows the Secretary of State to issue initial licenses to existing businesses for a period of time that may differ from an annual basis for the first year of the license to enable there to be a staggered renewal.*

BILL ANALYSIS: The PCS for Senate Bill 544 would require all sole proprietorships and general partnerships doing business in the State to obtain an annual license from the Secretary of State. The fee for the license, and the renewal fee, would be \$100. Willful failure to obtain a license may subject the business owner to a civil penalty of not less than \$1,000 but not more than \$10,000. If a business owner fails to obtain a license for three consecutive years, there is a rebuttable presumption that the failure was willful.

An applicant conducting more than one business and reporting those activities on Schedule C, Schedule E, or Schedule F need only obtain one license. The application must set forth the names under which the applicant intends to transact business and the locations of those businesses, as well as the federal employer identification number or social security number under which the applicant intends to transact business. The information on the application may be shared with the Department of Revenue, the Division of Employment Security, the Industrial Commission, and Government Data Analytics Center.

The Secretary of State must provide notice to licensees when the license renewal is due. Failure to renew in a timely manner will subject the licensee to a late filing fee of \$100. A business owner that ceases to do business in this State may cancel the license by notifying the Office of the Secretary of State.

The Secretary of State may use 10% of the license fee for expenses to administer the program. The remaining 90% of the fee would be remitted to the General Fund.

The bill provides an appropriation to the Office of the Secretary of State of \$1,000,000 for fiscal year 2015-16 to be used educate business owners in the State of the upcoming license requirement.

EFFECTIVE DATE: The business license requirement would become effective January 1, 2017.

O. Walker Reagan
Director



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