

Important Change to Business Tax Collection

The City will be sending the following letter to Roswell businesses in the coming week. We will continue to inform and assist local businesses during the transition.



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The City of Roswell is changing how it taxes businesses in our community. Previously, the City has collected business occupation tax based on number of employees. For 2018, businesses will be taxed using a method based on gross receipts. The majority of local governments in our area use a similar gross receipts method of business taxation.

Gross receipts are the total amount a business received from all sources during its annual accounting period, without subtracting any costs or expenses. Business types are categorized by NAICS (North American Industry Classification System) codes. This code is assigned a profitability index which corresponds with a specific tax rate. The tax rate applied to gross receipts will determine the tax assessment.

The new fee structure for the 2018 tax year is as follows:

Commercial Business

The tax due will equal gross receipts, with a \$50,000

exemption, multiplied by the tax rate. A \$100 application fee and a \$50 regulatory fee will also apply.

Professional License Classification

The tax due will be either \$400 per practitioner or the gross receipts assessment with a \$50,000 exemption. The practitioner/ business may choose their preferred method of calculation.

Professional practitioners include but are not limited to: lawyers, physicians, osteopaths, chiropractors, podiatrists, dentists, optometrists, psychologists, veterinarians, landscape architects, land surveyors, practitioners of physiotherapy, public accountants, embalmers, funeral directors, engineers, architects, marriage and family therapists, social workers, counselors, dealers of motor vehicles, etc.

Home-Based Business

The tax due will equal gross receipts, with a \$50,000 exemption, multiplied by the tax rate. For home-based businesses, there is a cap of \$100 on the total tax due.

This change will be implemented during the 2018 business occupation tax renewal process. You will be receiving notification explaining how to determine your business occupation tax amount required for 2018. All Occupation Certificate Taxes are due by December 31, 2017 for the 2018 calendar year.

For more information, please visit www.roswellgov.com/businessregistration. City staff is also available to assist you with any questions you may have regarding this change. Please feel free to contact the city's Business Registration Division at 770-594-6235 or businessregistration@roswellgov.com.