



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

BUSINESS LICENSE FEES

HB 289: VERSION A

Sylvan Robb
Director

House Labor & Commerce
Committee



What Does HB 289 Do?

- Increases regular business license fees from \$50 to \$100 per year
- Increases business license fees for sole proprietorships owned by a disabled veteran or individual who is 65 years of age or older from \$25 to \$50 per year
- Increases tobacco endorsement fees from \$100 to \$200 per renewal



Why Increase These Fees?

- All funds received each fiscal year in excess of what's required to run the business licensing program are deposited into UGF
- Increasing business licensing fees is a way to generate additional revenue for the State of Alaska without heavily impacting one profession or industry over another



When is a Business License or Tobacco Endorsement Required?

- A business license is required for the privilege of engaging in a business in the State of Alaska (*AS 43.70.020(a)*)
- “Business” means a for-profit or non-profit entity engaging or offering to engage in a trade, a service, a profession, or an activity with the goal of receiving a financial benefit in exchange for the provision of services, or goods, or other property. (*AS 43.70.110(1)*)
- A person who sells cigarettes, cigars, products containing tobacco, electronic smoking products, or products containing nicotine as a retailer must have a business license and a [tobacco] endorsement. (*AS 43.70.105(b)*)



When is a Business License Not Required?

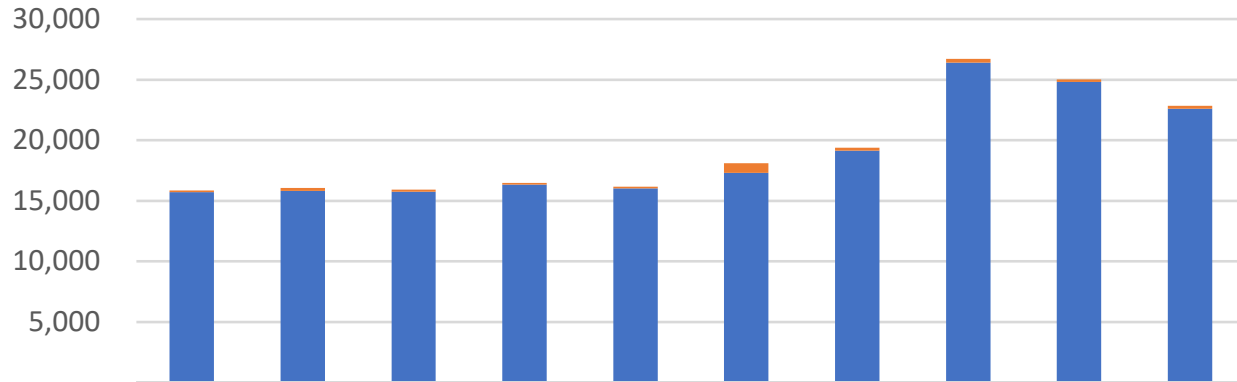
Business license exemptions (*AS 43.70.105*):

- Fisheries business
- Sale of liquor under a license issued under AS 04.11
- Insurance business
- Mining business
- Supplying services as an employee
- Furnishing goods or services by a person who does not represent to be regularly engaged in furnishing goods or services
- Activities of an investment club as defined in AS 43.70.105(7)
- Bank organized under AS 06.05 or the laws of another state
- National bank chartered by the U.S.
- Credit union organized under AS 06.45 or the laws of another state
- Credit union regulated by the National Credit Union Administration
- Mutual savings bank chartered under AS 06.15 or organized under the laws of another state



Business License & Endorsement Numbers

New Business Licenses and Endorsements

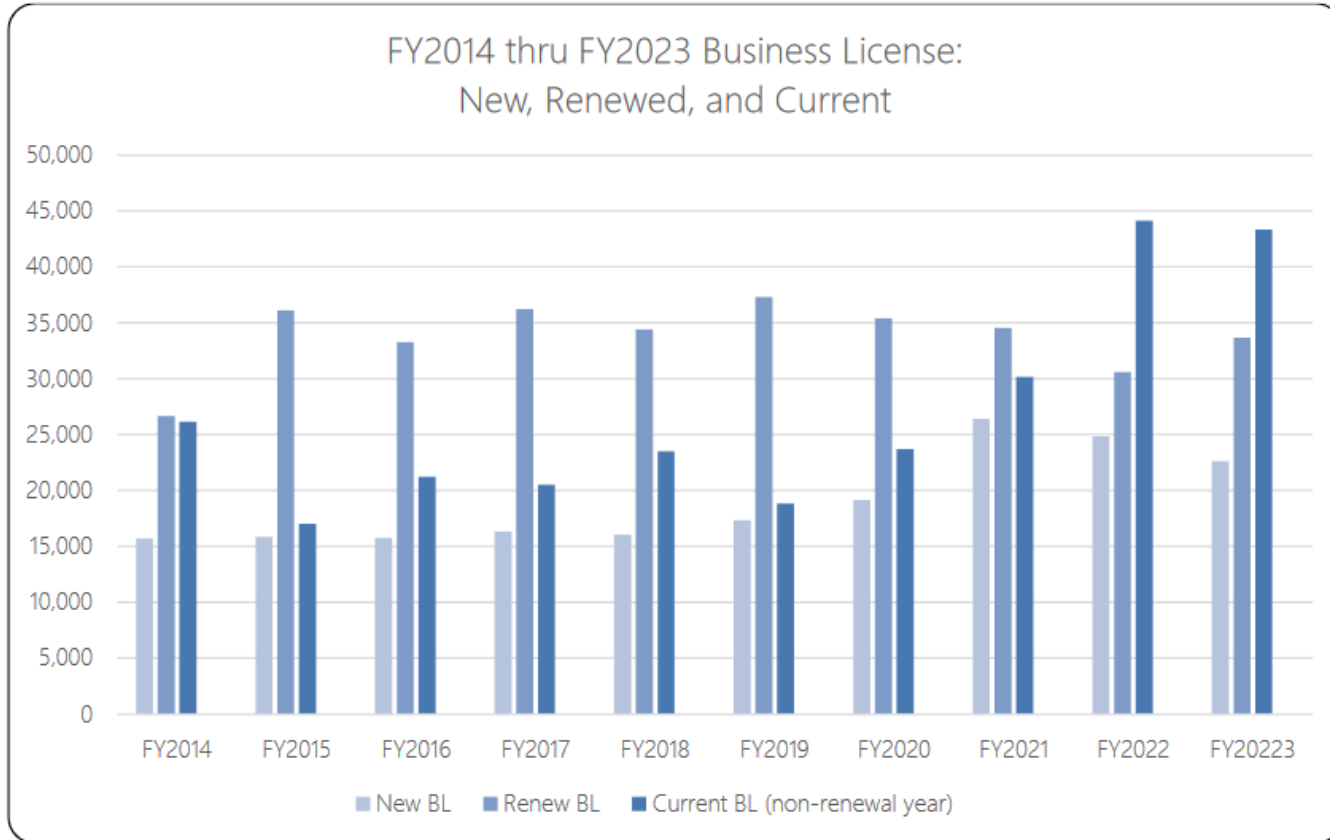


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fiscal Year										
Endorsements	149	247	162	134	114	791	240	323	206	221
Bus. Licenses	15,708	15,837	15,758	16,335	16,045	17,325	19,162	26,400	24,839	22,623

■ Bus. Licenses ■ Endorsements

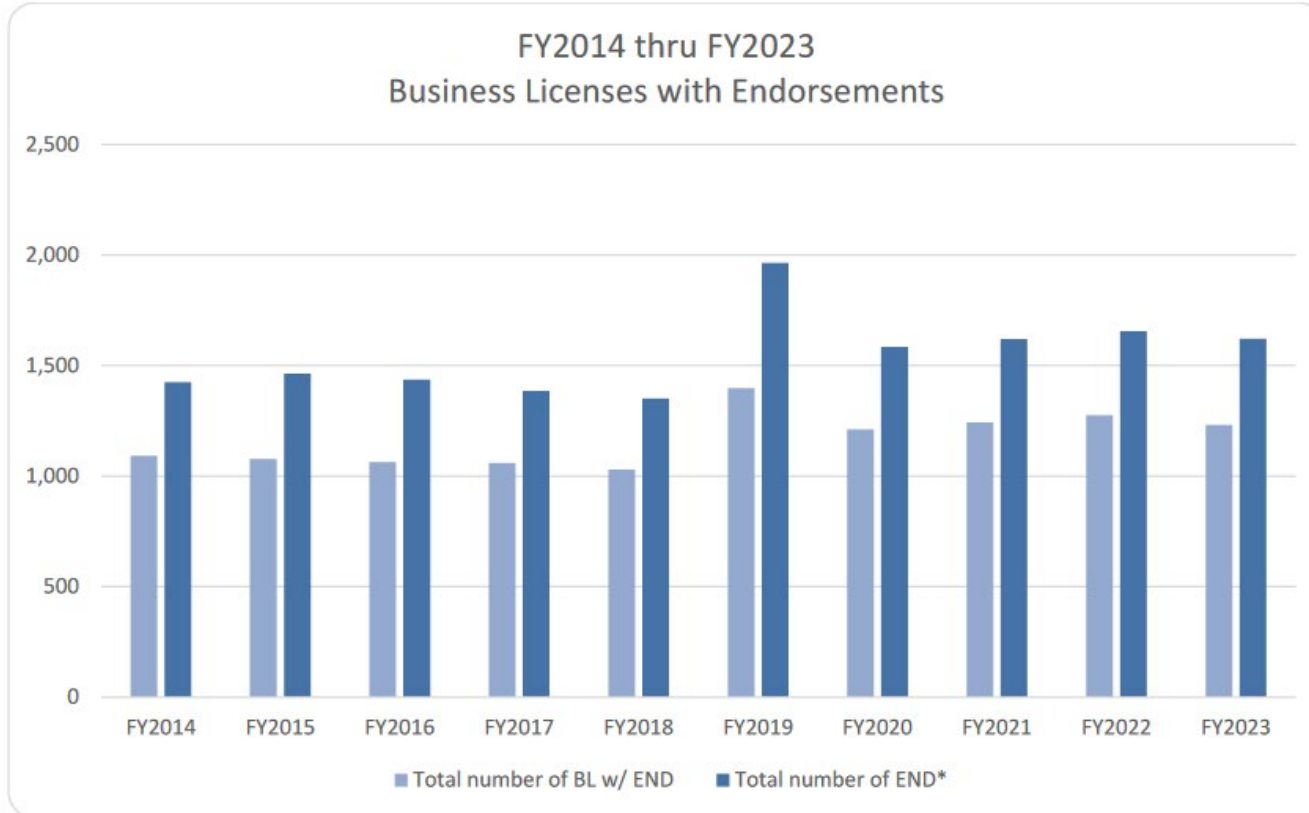


Business License & Endorsement Numbers (Cont.)





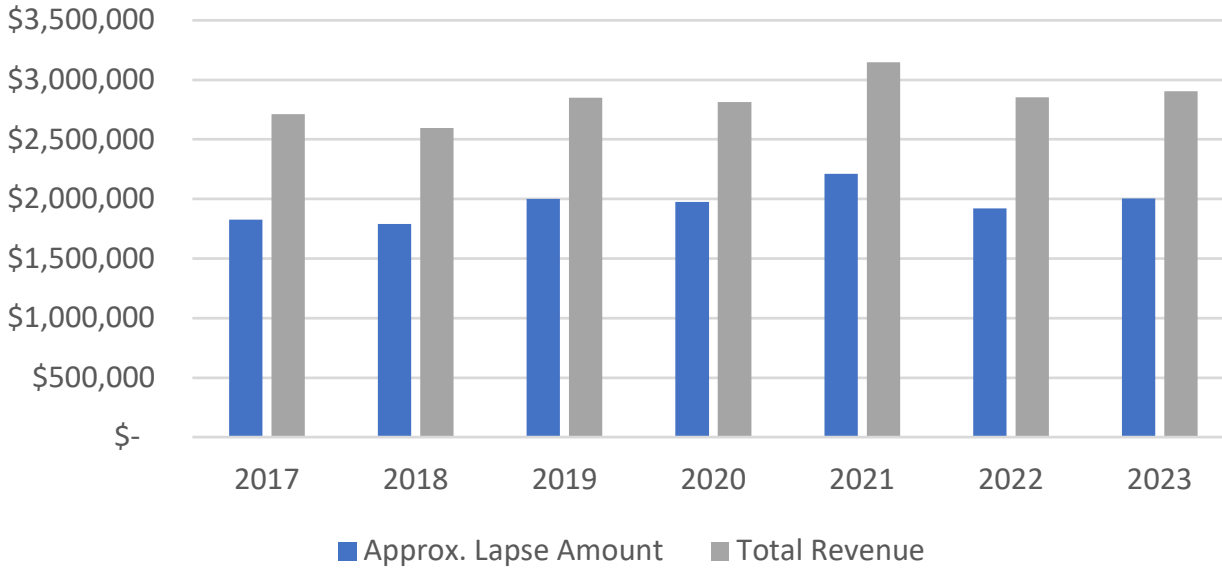
Business License & Endorsement Numbers (Cont.)





BL Revenue Deposited Into the General Fund

Approximate Amount Lapsed to General Fund
and Total Bus. License Revenue FY2017-2023





Business License & Endorsement Reports & Resources

- Business Licensing Homepage:
<https://www.commerce.alaska.gov/web/cbpl/BusinessLicensing>
- FY2023 Business Licensing Statistics Report:
https://www.commerce.alaska.gov/web/Portals/5/pub/BL_AnnualReport_2023.pdf
- OMB Business License Performance Details:
https://omb.alaska.gov/html/performance/ABS/index_C2360.html#td10857
- Business License Online Search Tool:
<https://www.commerce.alaska.gov/cbp/businesslicense/search/License>
- [Tobacco] Endorsement Online Search Tool:
<https://www.commerce.alaska.gov/cbp/businesslicense/search/Endorsement>



Thank You

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