

**Reduce
liabilities and
workloads with a
business license
service provider**



Disclaimer

While we hope you'll find this discussion helpful, this session is for informational purposes only and is not legal or tax advice.



Avalara

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Avalara CRUSH

NOVEMBER 11-14, 2024
FAIRMONT AUSTIN

Our biggest customer event is returning this November in Austin! Avalara CRUSH is designed to take the tax compliance conversation deeper – attendees will learn how to make the most of Avalara solutions, get insights on trends in AI and the global economy, collaborate with peers, and network at fun evening events.

It's more than a conference. It's CRUSH.



www.AvalaraCRUSH.com

#AvalaraCRUSH

Continuing Professional Education (CPE)



Qualifying for credit

- > Respond to **3 of 4** poll questions
 - Questions display for a limited amount of time
 - Select your answer and click submit
- > Attend the **full duration** of the webinar
 - Attend at least 50-minutes to qualify



Downloading Certificate

- > Download the certificate once you qualify
 - Find the Earn Certification box
 - Click the icon to download
- > Those that qualify will also receive their certificate in a post-event email

Meet our presenters



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Agenda

- 1 > Business licenses 101
- 2 > Managing your business license portfolio
- 3 > Business license service provider & your tax or legal departments
- 4 > Introducing Avalara License Management & Avalara License Managed Services
- 5 > Questions

Business licenses 101

Three types of business licenses

Business Licenses are permission slips issued by the government to conduct operations within their borders and they typically need to be renewed annually.

Permits are certifications that safety and health requirements are met by a business, generally issued for one-time actions on a specific parcel of land.

Tax Registrations are the first step the government requires to begin collecting taxes from a business.

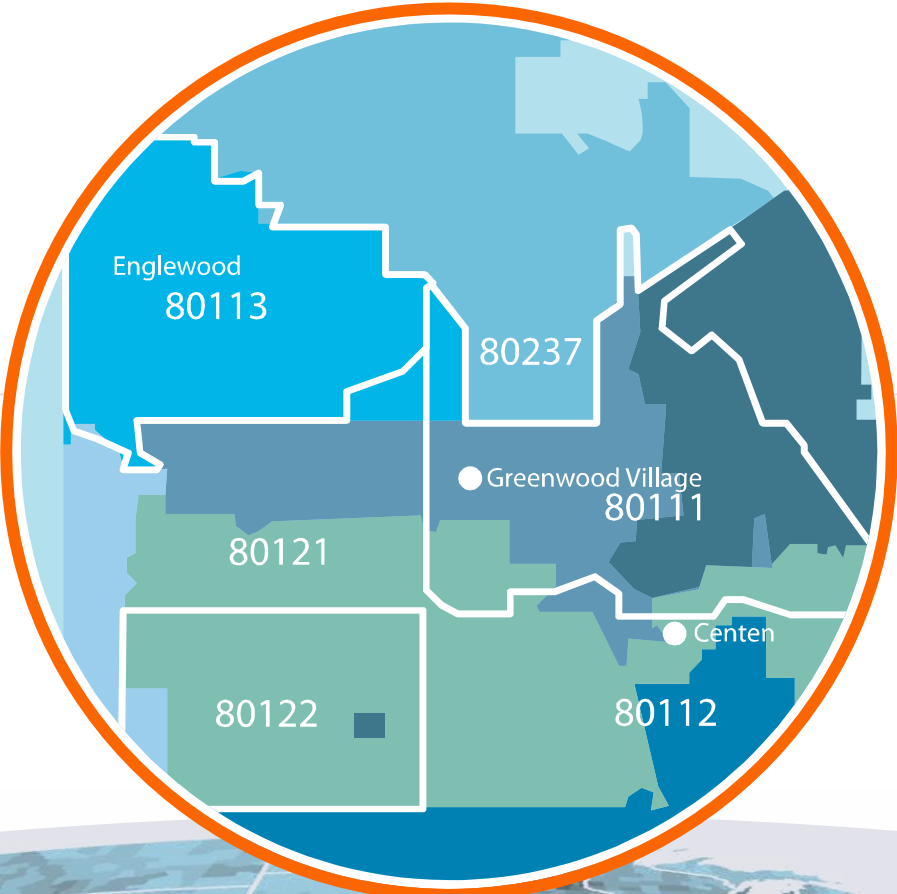


There are 50 states, 3,000 counties, and 35,000 municipalities in America.

Each one of these government authorities set and enforce their own business licenses.

There are also thousands of special purpose districts that overlay all the municipalities.

Maintaining compliance in all these jurisdictions takes time, resources, and money.





FAST FACTS

Software



Often one

Licenses per location

Typical licenses

- General Business License
-



Low

Risk level

Typical other work

- Often none



Inexpensive

Resource allocation





FAST FACTS

General Retail



Few

Licenses per location



Moderate

Risk level



Moderate

Resource allocation

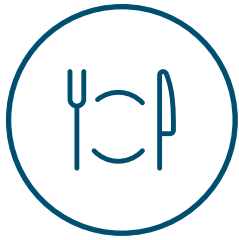
Typical licenses

- General Business License
- Second-Hand Dealer License
- Weights & Measure Certification

Typical other work

- Real Estate / Lease Contracts





FAST FACTS

Restaurants



Multiple

Licenses per location



High

Risk level



Expensive

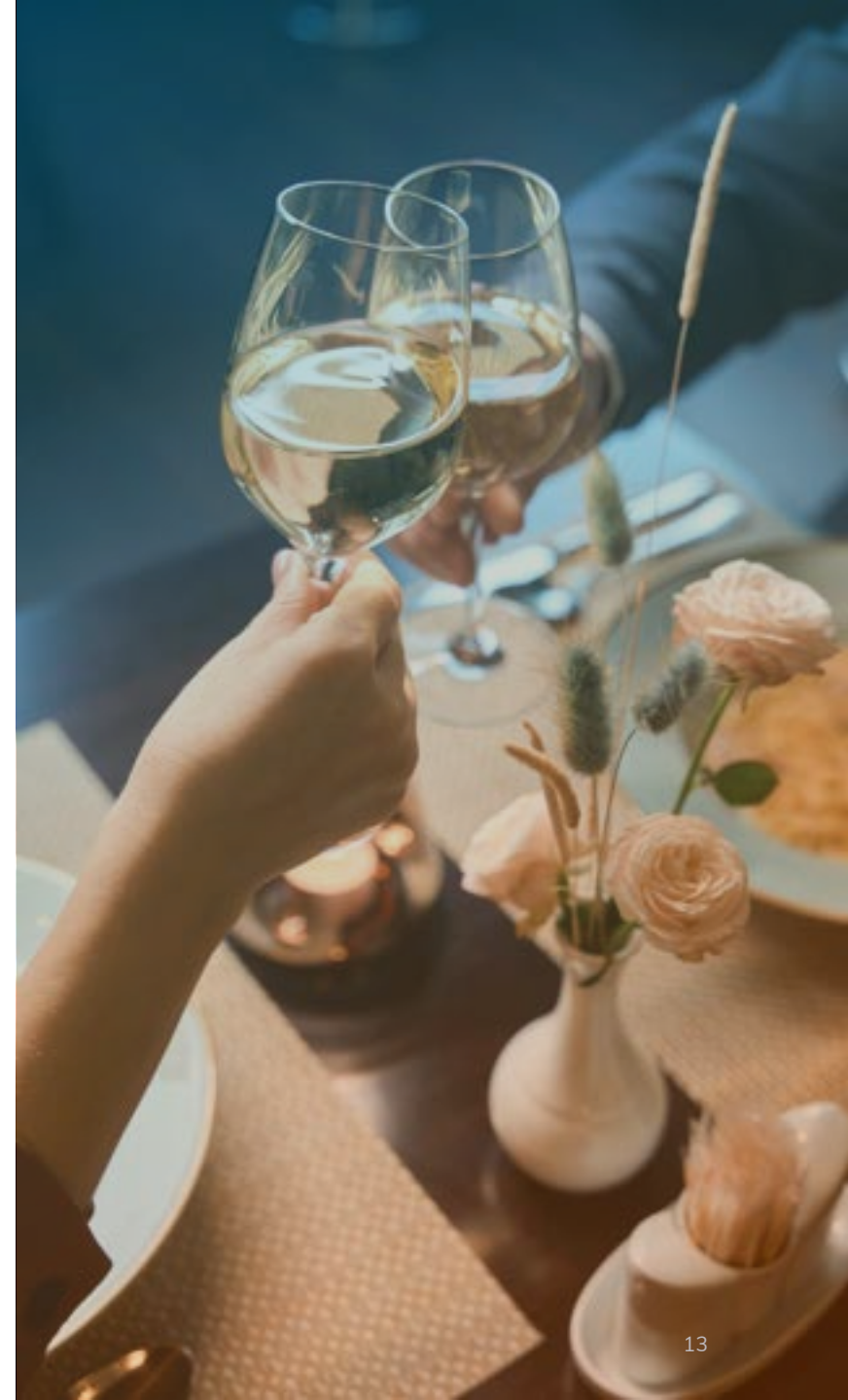
Resource allocation

Typical licenses

- General Business License
- Alcohol/Liquor License
- Sidewalk Café Permit
- Frozen Dessert License

Typical other work

- Professional Certifications
- Real Estate / Leases Contracts
- Violations





FAST FACTS

Auto Body



Many

Licenses per location



High

Risk level



Expensive

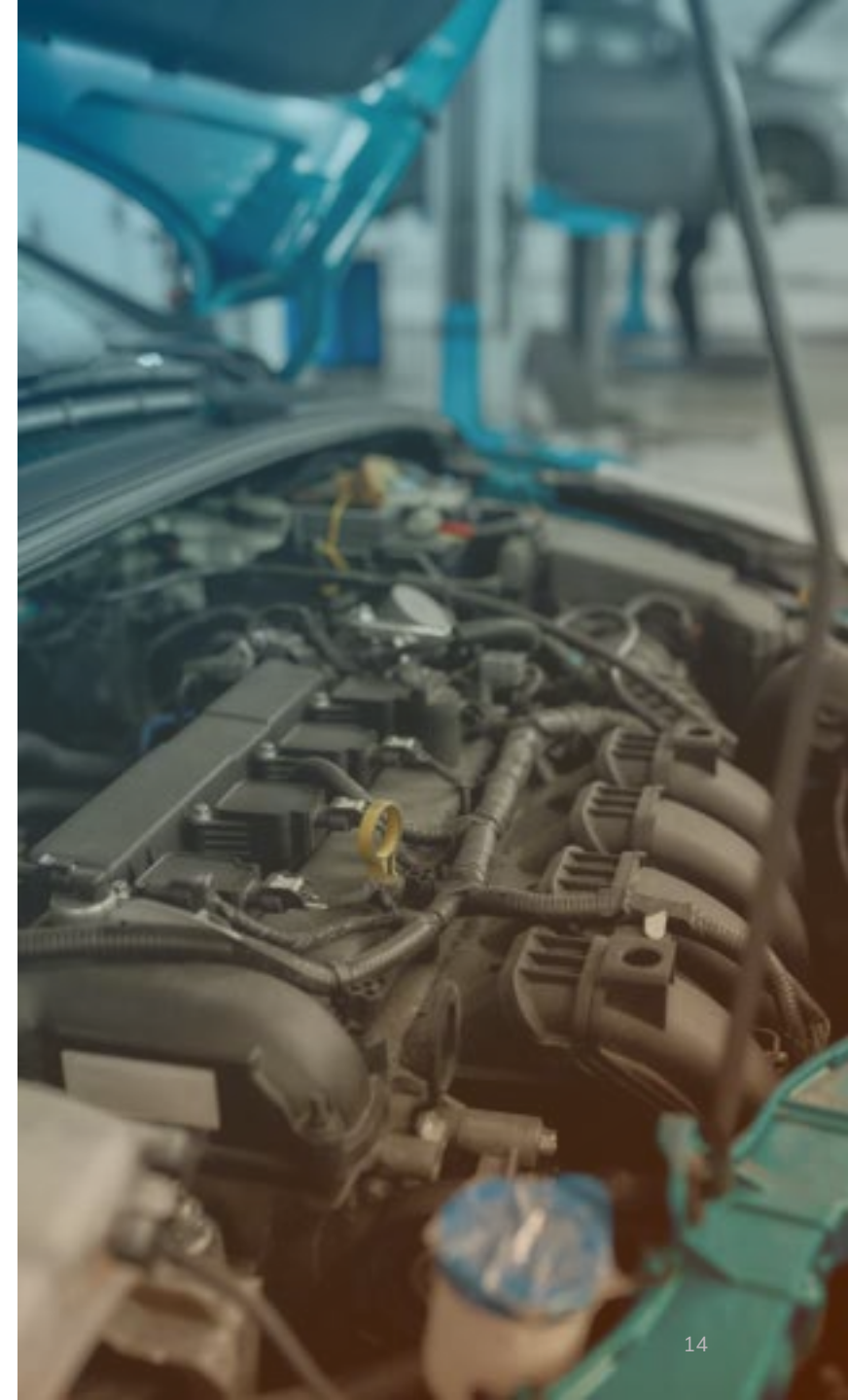
Resource allocation

Typical licenses

- Vehicle Repair/Service License
- Local Waste Generator License
- Transportation/Trucking License
- Motor Carrier Permit
- Fire Permit

Typical other work

- Vehicles
- Professionals





FAST FACTS

Supermarkets / Convenience Store



Dozens

Licenses per location



Very high

Risk level



Expensive

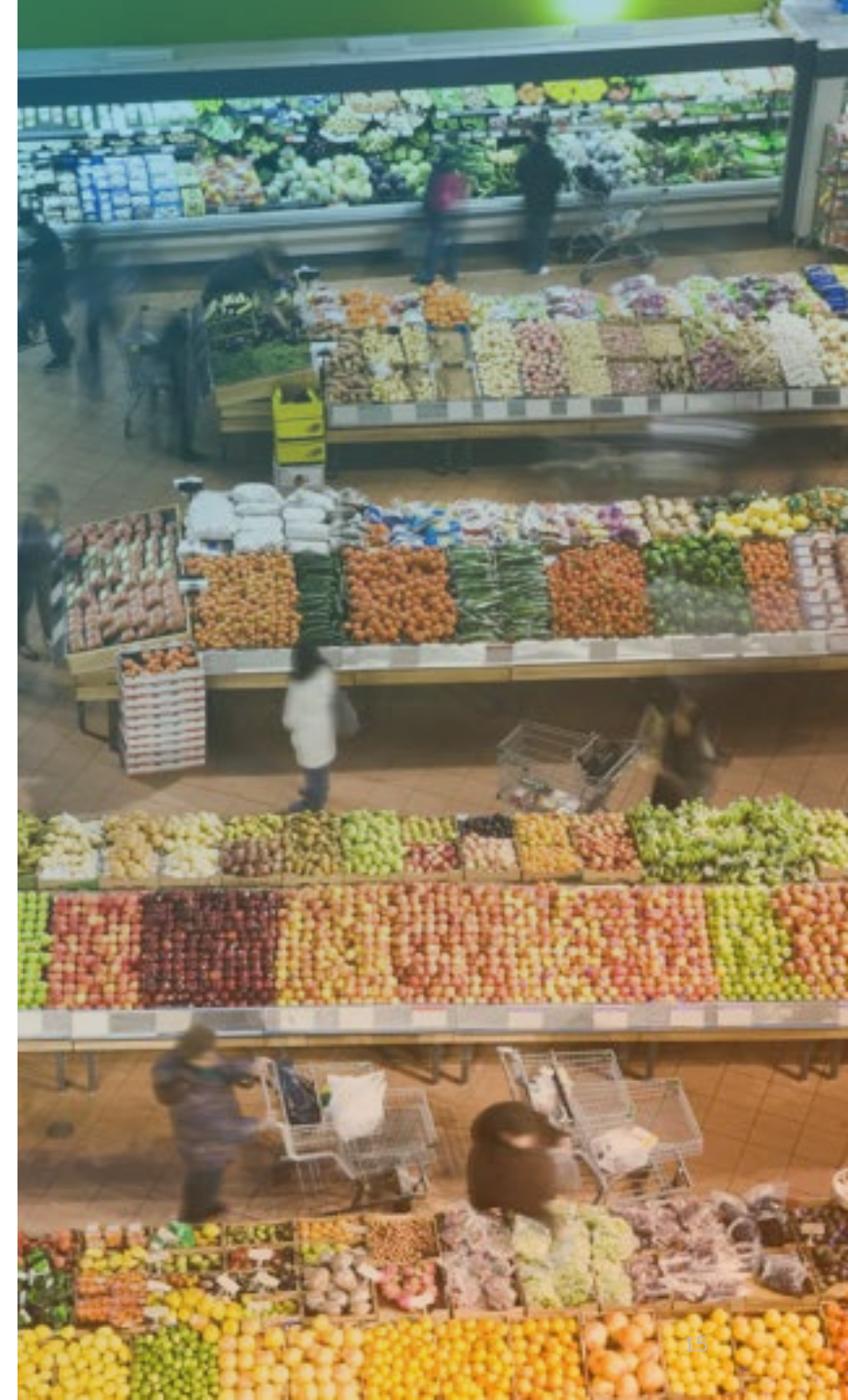
Resource allocation

Typical licenses

- Refrigeration License
- WIC/Food Stamps
- Lottery/Gaming License
- Alcohol License
- Tobacco License
- Pharmacy License
- Fuel License
- Abusable Chemicals License

Typical other work

- Professional Certifications
- Real Estate / Leases Contracts
- Violations
- Contracts



Managing your business license portfolio

Smart strategies



Decide who “owns” business licenses

Tax, accounting, legal, operations, human resources, real estate, finance, compliance, etc.



Make sure everybody is invested

Especially in an era of complex corporate structures, coordination is key to success.



Prepare for your acquisitions

Consider the potential ramifications of transferring licenses early in the M&A process.



Research your business license triggers

Understand the nuances of “nexus”, but also know that it’s not the full story of business license compliance.



Invest in good data hygiene

Good data is centralized, has essential fields, and is updated regularly.

Solutions

Either invest in software or services



What to look for in a
business license service
provider vs software

What to look for in a software

How do you get the most out of this kind of investment?



Management Consolidation



Cross-Departmental Coordination



Proactive Compliance Features



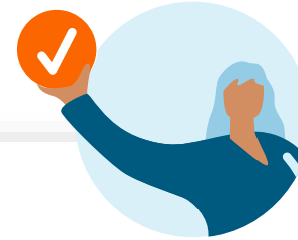
Time Saving Tools

What to look for in a service provider

How does this kind of relationship actually work?



Expertise plus automation



Single point of contact



Information sharing



Single source of truth



Treasury functions



Security

Business license service provider use cases

When you may prefer services over software



When the perpetual management of regulated business licenses eat away at a company's internal resources. For example...



When a single source of failure is a threat to a company's business operations. For example...



When a company is constantly acquiring other companies and/or expanding their locations. For example...



When the nature of the business licenses leads a company to utilize expensive legal staff (either internally or externally). For example...

Introducing ALMS & ALPS



How we do it

Avalara License Managed Services

- > **Research** business license requirements for new locations to help ensure your compliance
- > **Maintain** your business license renewal calendar throughout the entire year
- > **Obtain** data to submit your license applications (such as gross receipts, employee count, etc.)
- > **Determine** the monthly cash required to pay your licensing authority's fees
- > **Track** frequently changing business license requirements across North America
- > **Share** monthly progress reports with you and store relevant documents in our 24/7 client portal
- > **Distribute** freshly acquired license certificates to each of your locations

Avalara License Professional Services

ALPS overview

For assistance verifying, researching, obtaining, and transferring business licenses for your company



Avalara helps you minimize risk during M&As, location launches, product rollouts, and corporate tax restructures.



Avalara helps to mitigate against disruptions to sales or operations due to business license noncompliance.



Identifies missing and erroneous data that may otherwise disrupt your future work.



Empowers your business license professionals to directly engage licensing authorities on your behalf.



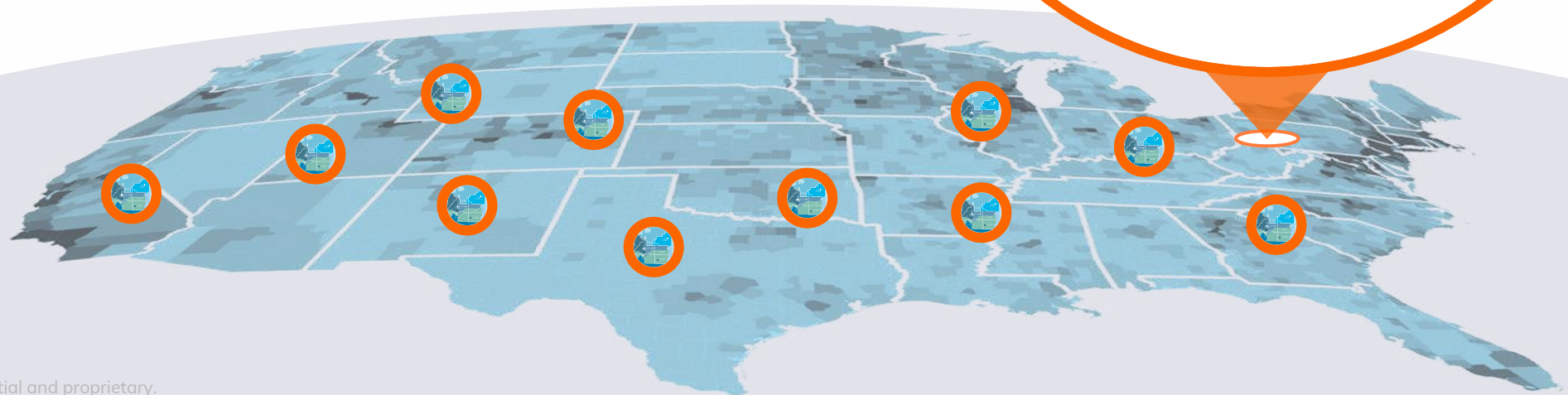
For your consideration...

Data queries

- > Avalara will compare your physical locations or service areas to our license database to detect where a general business license is imposed in the various jurisdictions within your footprint.
- > The query will also identify licenses requiring fees based on gross receipts, flat fees or other variables.
- > This allows for more strategic planning to determine where additional services should be focused in order to gain compliance.



- Local business license
- Gross receipts
- Inventory
- Employee count



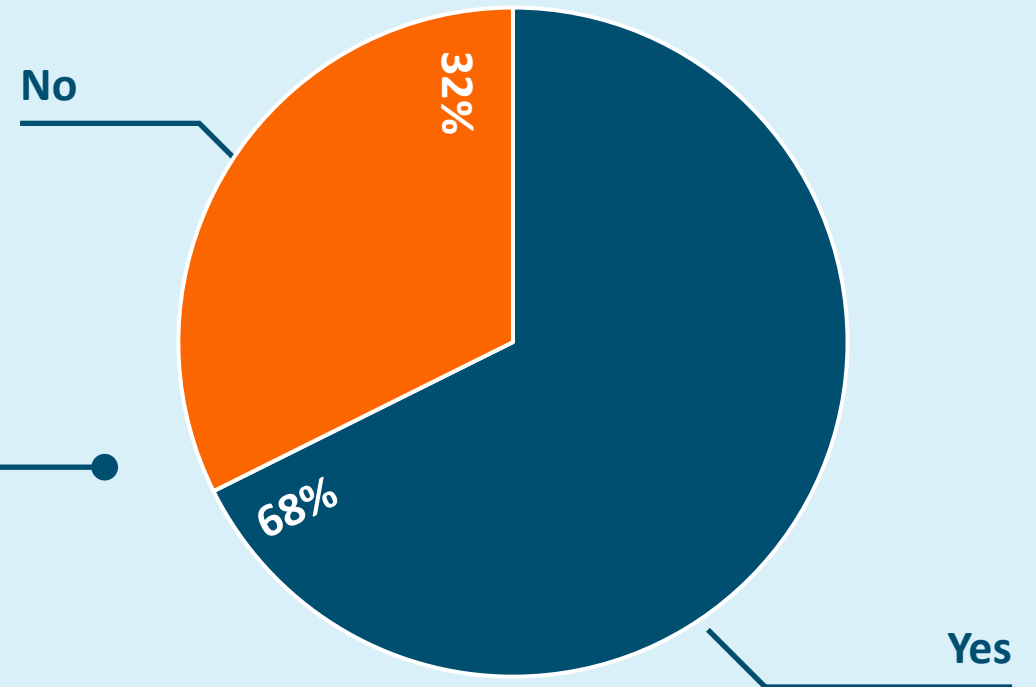
For your consideration...

M&As

- > **New Locations, Mergers, Acquisitions:** Avalara can assist with the acquisition of licenses required for new locations, new business endeavors, and/or provide the above research/audit and filing services for mergers and acquisitions

These are the results of a survey Avalara conducted 2 years ago. We got responses from over 100 compliance experts.

During M&As that you manage, are governmental licenses part of your current due diligence process?



Q&A

The logo for Avalara features the word "Avalara" in a white, sans-serif font. The letter "A" is stylized with a white checkmark integrated into its left side. The background is a solid orange color with a subtle gradient from top-left to bottom-right.

Avalara

Tax compliance done right