
Help Desks POLICY

Each UBI agency will maintain a Help Desk to assist personnel from other agencies with UBI questions concerning the registration of businesses.

The Help Desk System must be used when questions cannot be answered by the agency registering the business.

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Help Desks PROCEDURE

When a question concerning any UBI agency cannot be answered, call the appropriate Help Desk. Identify yourself and your agency.

Agency Help Desk Telephone Numbers: (The area code for all numbers below is 360.)

	Voice	Fax
Corporations Division, Office of the Secretary of State	725-0377	664-8781
Department of Labor & Industries	902-4817	902-4729
Department of Licensing	664-1430	570-4962
Department of Revenue	902-7180	586-0527
Employment Security Department	902-9360	902-9264

UBI Policy Contact Personnel

Tobi Snyder	Corporations Division, Secretary of State	725-0331	664-8781
Brenda Westfall	Employment Security	902-9360	902-9264
Julia Ehr	Labor & Industries	902-4799	902-4729
Kim Eastman	Licensing	664-1415	570-7875
Bob Petteys	Revenue	902-7010	586-0527

UBI Question & Answer Matrix

Common situations and the appropriate actions to take:

		Complete UBI Change Form?	Submit New MA?	Issue New UBI?	Comments
Changes to Existing Accounts					
1.	A business entity changes its structure (e.g. sole proprietor incorporates).	NO	YES	YES	
2.	A business changes its mailing address or telephone number (not applicable for changing a corporation's registered office address.)	YES	NO	NO	
3.	An in-state business entity moves out of state, but continues to do business in Washington.	YES	NO	NO	
4.	A business entity moves to a different location in this state				
	(a) No specialty licenses required	YES	NO	NO	
	(b) Specialty licenses required (i.e. Liquor, Lottery, etc.)	NO	YES	NO	
5.	A business entity changes its principal product or service				
	(a) No specialty licenses required.	YES	NO	NO	
	(b) Specialty licenses required (i.e. Liquor, Lottery, etc.)	NO	YES	NO	
6.	An entity opens a new location.	NO	YES	NO	

		Complete UBI Change Form?	Submit New MA?	Issue New UBI?	Comments
7.	An entity sells its business and purchases another business.	NO	YES	NO	
Changes to Existing Accounts (cont.)					
8.	A business wants to change or add a new trade name.	NO	YES	NO	
9.	The owner's legal name changes or a spouse is added (not applicable for corporate name changes).	YES	NO	NO	
10.	The sole proprietor of an entity dies and the estate continues operation.	NO	YES	NO	
11.	A business wants to elect coverage for owners or exempt employment.	NO	YES, if L&I does not have an account	NO	Additional ES and L&I forms required.
12.	An existing business entity hires employee(s) for the first time.				
	(a) Within 30 days of filing MA	NO	YES	NO	No Fee
	(b) Outside 30 days	NO	YES	NO	
13.	Two or more unassociated entities enter into an agreement to employ a receptionist.	NO	YES	YES	

		Complete UBI Change Form?	Submit New MA?	Issue New UBI?	Comments
Hiring Employees					
14.	A private household hires a person to work in or around the home; (i.e. a nanny, domestic servant)	NO	YES	YES	
15.	A corporation wants to hire a domestic servant.	NO	NO	NO	Private households only
16.	A business chooses to cover excluded employees or owners with L&I and ES Insurance and the employment accounts already exist at both agencies.	NO	NO	NO	Contact agencies for special forms.
Corporations and Limited Liability Companies					
17.	A corporation registers a separate new corporation that is a wholly owned subsidiary.	NO	YES	YES	
18.	The majority of the stock of a corporation was transferred to different individuals. (Note: If the business has liquor, lottery, or gambling licenses, he/she must contact Master License Service at 360-664-1414.)	YES	NO	NO	If business has employees, refer customer to ES and L&I.

		Complete UBI Change Form?	Submit New MA?	Issue New UBI?	Comments
19.	Change of corporate officers or LLC members	NO	NO	NO	SOS needs amended report. If business has employees, refer customer to ES and L&I.
20.	Non-profit corporation has:				
	(a) trade names	NO	YES	NO	
	(b) paid employees	NO	YES	NO	
	(c) sells a tangible product at retail	NO	YES	NO	

Partners

21.	One or more partners joined and/or left an established general partnership				
	(a) Less than 50% change in number of partners, no specialty licenses required	YES	NO	NO	
	(b) Less than 50% change in number of partners, specialty license required	NO	YES	NO	
	(c) 50% or more change in number of partners. Per WAC 458-20-101(11)DOR and ESD Policy	NO	YES	YES	
22.	Limited Partnership or LLP changes any of its partners	NO	NO	NO	SOS needs amendment

		Complete UBI Change Form?	Submit New MA?	Issue New UBI?	Comments
23.	An entity that originally registered as a partnership has operated as a sole proprietor for the past two years (this does not apply to marital communities).	NO	YES	YES	
Legal					
24.	The business entity became insolvent and the debtor retains possession.	NO	NO	NO	
25.	The business entity became insolvent and a trustee was appointed.	YES	NO	NO	
26.	In a divorce action when one spouse is awarded the business from his/her former spouse.				
	(a) No specialty licenses required	YES	NO	NO	
	(b) Specialty licenses required (i.e. Liquor, Lottery, etc.)	NO	YES	NO	
27.	A trust will operate a business entity.	NO	YES	YES	
28.	The sole proprietor of an entity dies and the estate continues operation.	NO	YES	NO	
29.	Two or more unassociated entities enter into an agreement to jointly purchase and rent an office building with employees (an arrangement known as tenants-in-common).	NO	YES	YES	

		Complete UBI Change Form?	Submit New MA?	Issue New UBI?	Comments
Inactive/resume					
30.	An entity that has been inactive for a number of years resumes operation	NO	YES	NO	SOS may need reinstatement
31.	An entity that has been inactive for any amount of time repossesses the business and resumes operations.	NO	YES	NO	
Miscellaneous					
32.	There is information omitted or a keying error on the UBI database.	YES	NO	NO	
33.	The same entity has two UBI numbers.	YES	NO	NO	
34.	A foreign corporation converts to another legal entity in their state (i.e. corporation to LLC).	NO	NO	NO	Entity must file paperwork with SOS.

Employment Security Department Agency-Specific Questions

1. Are there any fees or deposits to register with Employment Security Department?

There are no fees or deposits required at the time of registration.

2. When do I have to register?

The date you first hire employees, full or part time, is when you become an employer and must register. You may register up to three months prior to the date of first hire. If the hire date is more than three months after the application is filed, the Employment Security Department will not open an account. You must reapply when you are within the three-month period.

3. Who pays the Unemployment Insurance tax?

The Unemployment Insurance tax is paid by the employer. No deductions can be made from the employee's wages.

4. How often do I report and when are the reports due?

You must report to the Employment Security Department on a quarterly basis ending in March, June, September, and December. The tax reports and payment must be returned by the last day of the month following the end of the quarter. Even if you had no employment during a quarter, you must file the report on time.

5. How do I get the tax reports and how do I fill them out?

The tax reports will be mailed to all registered employers just before the end of each quarter. Instructions are included in the mailing envelope. If the employer chooses to file electronically, the paper reports will be suppressed after two consecutive quarters of filing.

6. Do I have to report my family for Unemployment Insurance?

If you are a **sole proprietor**, do not report your spouse or your unmarried children under the age of 18. If you are a **partnership, corporation or Limited Liability Company**, you must report all family members if they are

performing services. If the business is a **small farm** (not liable for FUT A) you need not report family members, regardless of whether the business is a sole proprietorship, partnership or corporation.

7. What are the rules for determining liability of an agricultural employer?

All agricultural employers are liable for unemployment insurance taxes. A special exemption is given to employers not meeting the FUT A requirements. Those small agricultural employers are not required to report students or spouses and children of corporate officers (if the small farm is incorporated).

8. What are the rules for determining liability of domestic employers?

A domestic/household employer is liable if their payroll is \$1,000 or more in any quarter of the current or preceding calendar year.

9. Am I liable for paying taxes if employees are non-citizens and cannot draw benefits?

Yes. You are liable as the unemployment insurance tax is not based on whether individuals qualify for benefits or not. Exception: if your employee is temporarily working in the US and has an F, H2A or H2B, H3 or J visa, the employer does not have to report and pay tax on those wages.

10. How is my tax determined?

Under the current experience rating system, employers are taxed in accordance with the degree to which their former employees draw unemployment insurance benefits. Employers with the most favorable experience are assigned the lowest rate, and those with the least favorable experience are assigned the highest rate. If you do not have sufficient experience, your rate is determined by using the average tax rate of your industry.

11. If I buy another business, what will my tax rate be?

If you already are an employer when you acquire another business, your tax rate remains the same. If you are not already an employer when you acquire a business, you will acquire the previous employer's experience rate.

12. Why are my rates so high?

Your tax rate may be high because your tax reporting is delinquent; you have chargeable benefit charges; you are a successor to a qualified employer with a high rate; or the industry rate for your business activity is high.

13. When will the tax rate go down?

The tax rate will go down when your benefit ratio is reduced, or when the industry average is reduced.

14. What can I do to keep my tax rate low?

Reduce employee layoffs, pay your taxes on time, and request relief of benefit charges, when appropriate.

15. What is FUTA?

The Federal Unemployment Tax Act (FUTA) is the funding source for the administrative costs of Employment Security Departments throughout the country, and one-half of extended unemployment benefits. FUTA also provides a loan fund to states that have depleted their unemployment funds.

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Department of Labor and Industries

Agency-Specific Questions

- 1. How do I get a UBI number to complete my contractor's registration?
How do I register for workers' compensation (industrial insurance)?
How do I reopen an account that has been closed?**

You can get your UBI number and/ or register for industrial insurance coverage by filing a Master Business Application on line. Or you can print a paper application from DOL's web site and mail it in with the appropriate fees. Also, service locations of the Departments of Revenue, Employment Security tax offices, Labor and Industries, Secretary of State, or the Department of Licensing in Olympia can help you. Industrial Insurance coverage is effective when the Master Business Application is received at one of these locations or the future date you indicate hiring on the application.

If you had an industrial insurance account in the past, in some situations L&I will activate a new account without requiring a Master Business Application. Call the Employer Services information line at (360) 902-4817 for help in determining whether a new application needs to be filed.

- 2. How much does industrial insurance cost?**

The cost depends on the classification as signed for the nature of your business, the number of employees, and the number of hours worked. Each classification carries an hourly rate representative of its potential for losses.

- 3. How do I pay industrial insurance?**

You may register to report and pay your premiums on line after the end of each quarter at L&I's web site. If you choose not to report on line, a preprinted Employer's Quarterly Report will be mailed to you near the end of March, June, September, and December. You use this form to report the number of hours your employees worked during the prior quarter. This report must be filed on line or mailed to the Department with payment for premium before the end of January, April, July, and October.

- 4. Can I transfer my experience modification factor from another state?**

No.

5. Can I buy industrial insurance from a private insurance company?

Not in Washington State. Industrial insurance can be purchased *only* from the Washington State Department of Labor and Industries.

6. Do owners have to pay industrial insurance on themselves?

No, sole proprietors, partners, some LLC members, and some corporate officers do not have to be covered by industrial insurance unless they elect the coverage for themselves. Contact Employer Services at (360) 902-4817 for assistance in determining exemptions. Elective coverage forms are available at lni.wa.gov.

7. Do I have to pay industrial insurance on a person doing domestic work in my home?

Not unless you have two or more employees who spend 40 hours or more per week at the residence. You may elect coverage for domestic workers if you do not have 2 employees working 40 hours each per week. Visit lni.wa.gov for elective coverage forms for excluded employments.

8. Do I have to pay industrial insurance for my own children?

Yes, unless the children are under 18 and working on your own family farm. To hire anyone under the age of 18, you must get a "minor work permit" from the Employment Standards Division of the Department of Labor & Industries. You can get a permit through the MBA process as described in #1.

9. How do I cover volunteers and what are the requirements for industrial insurance?

Volunteers are generally exempt only in registered non-profit businesses, and are not recognized in for-profit businesses. Coverage is required for anyone working in a for-profit business. Only 501-C-3 non-profit charitable organizations may elect coverage for their volunteers. Please contact Employer Services at (360) 902-4817 for more information, as volunteer situations may vary.

Department of Licensing Agency-Specific Questions

1. **What is the Master License Service?**

Master License Service (MLS) is a central filing point where businesses can register for licenses with 10 different state agencies and several cities. MLS collects the information and fees, and then sends them to the appropriate regulatory agencies. A single license document is issued, called the Registrations and Licenses document, which lists licenses that have been approved.

2. **Why does MLS charge a \$15 fee for application?**

The MLS is self-funded and is supported by the fees we collect from applications and renewals. Several years ago the legislature decided that the businesses being served needed to cover the costs of the program, rather than having the partner agencies cover the cost.

3. **There are a lot of licenses available on the Master Business Application and I don't know much about them. How do I handle this with a customer?**

The License Fee Sheet lists most of the licenses MLS offers. The Fee Sheet indicates the fee for each license and whether there are additional forms needed. Forms can be found on the DOL website. Collecting the proper fees will speed up the entire licensing process, even if you don't have all the forms needed. MLS can frequently collect information via fax, saving lots of time.

4. **What if the customer wants the additional forms from me?**

Most of the forms are available on the DOL website or you can call MLS to get the forms faxed to you or to your customer (see the contact information on page 7-4).

5. **Why register a Trade Name?**

State law requires that Trade Names (or Doing Business As names) be registered in order to identify the owner of a business. A lawsuit cannot be filed on behalf of a business, even in small claims court, unless the

business' name is registered. The trade name law does not protect the name from use by others – that must be handled in civil court.

6. How long does it take for the applicant to receive a license?

An applicant can receive their license within 2 to 6 weeks once all fees and information are received at MLS. Many factors affect the timing. Internet applications are processed within one business day. Paper applications take several days for processing. Some licenses must be approved by other agencies and may take longer.

7. How does someone know if they need to renew an account?

If their license document has an expiration date, they will need to renew. A renewal notice will be sent to the applicant about six weeks before their expiration date. Many licensees now have the ability to renew online. The renewal will provide the web address and password if the licenses qualify to renew online.

8. Does all business need a city license?

It depends. There are one or two cities that only require businesses located within the city limits to get licensed. However, most of MLS' partner cities require anyone that is doing business within city limits to get a license, whether their business is actually located there or not. This would include businesses like building contractors, landscapers, repairmen, etc.

9. Which cities are MLS partners?

MLS keeps their online City Fee Sheet updated with partner city information, so you can check online at:

<http://www.dol.wa.gov/business/citycounty.html>

10. Can the applicant operate their business as soon as they submit the city license application?

No. Most cities require zoning approval, and some also require approval from their Fire Department and the Planning Department. For most cities, approval takes less than 10 days.

11. Is there a way to speed up city approval?

The applicant should talk with the city directly to see what their options might be. If the applicant applies for the city license online, the city staff will have the application within 48 hours, making it a fast option.

Department of Revenue Agency-Specific Questions

1. Do I need to be registered with the Department of Revenue?

You must register with the Department of Revenue if:

- Your business is required to collect sales tax.
- Your gross income is \$12,000 per year or more.
- Your business is required to pay taxes or fees to the Department of Revenue.
- You are a buyer or processor of specialty wood products.

You may still be required to complete a Master Business Application and register with other state agencies.

2. Do I have to renew my registration each year?

Your registration is valid as long as you are conducting business.

Some businesses require licenses which must be renewed each year:

- Liquor licenses
- Licenses for lottery retailers
- Cigarette retailers and wholesalers
- Licenses for egg, pesticide, seed and nursery dealers

3. How often do I report?

The Department of Revenue will send notification of your assigned reporting frequency. There are four types of reporting frequencies:

- Monthly
- Quarterly
- Annual
- Non-reporting

4. How are the reporting frequencies determined?

The Department of Revenue will review your business activity type and estimated gross-income to determine your reporting frequency. The following general rules apply:

- Monthly: Over \$4,800 annual estimated tax liability
- Quarterly: \$1,050 to 4,800 annual estimated tax liability
- Annual: Less than \$1,050 annual estimated tax liability

5. How will I get my tax returns?

There are two options available to report your business income.

Paper Returns:

- If the due date falls on a weekend or legal holiday. The due date for the return is the next business day.
- Pre-printed returns will be mailed to you about four weeks before each due date as long as you are not registered for E-File.

Electronic Returns:

You can file and pay your taxes on the internet using our electronic filing (E-File) service at dor.wa.gov.

Please contact 1-877-345-3353 for additional assistance on registering for electronic filing and/or filing your tax returns.

6. What do I do if I don't receive a tax return?

If you do not receive your form by the 10th of the month in which it is due:

- You can file and pay your taxes on the internet using our electronic filing (E-File) service at dor.wa.gov.
 - To reduce costs and help the environment, paper tax returns are not mailed to taxpayers who are registered to electronically file returns using our E-File service.
- Call 1-800-647-7706 and speak to a representative
- Tax returns and forms can be downloaded from our website dor.wa.gov.
- Contact the nearest Department of Revenue office

Please notify the Department of Revenue of any mailing address or account changes by calling 1-800-647-7706 or online at dor.wa.gov.

7. When are the tax returns due?

- Monthly returns are due on the 25th of the month following the month being reported.
 - Example: The June return is due July 25th.
- Quarterly returns are due by the last day of the month following the end of the quarter being reported.
 - Example: The Q2 (April, May, June) return is due July 30th.
- Annual returns are due on the last day of the month following the year being reported.
 - Example: The Annual return is due January 31st of the following year.

8. Are there penalties and interest for late reporting?

Yes. By law, penalty and interest apply as a result of the failure to pay your taxes on time. Separate penalties may apply and be cumulative for the same tax. Interest also applies if any tax has not been paid when it is due.

9. What are the penalties and interest for late filing?

- 5% - If the tax due is not paid by the due date.
 - Example: If the due date is July 25th, and the return is received on July 26th, 5% penalty is owed.
- 15% - If the tax due is not paid on or before the last day of the month following the due date.
 - Example: If the due date is July 25th, and the return is received on September 1st, 15% penalty is owed.
- 25% - If the tax due is not paid on or before the last day of the second month following the due date.
 - Example: If the due date is July 25th, and the return is received on or after October 1st, 25% penalty is owed.

10. Is it true that by law the Department has to assess a 5% assessment penalty even if I accidentally calculate and pay the wrong amount of tax?

Yes, but only if the tax return is considered “substantially underpaid.”

The law explains that if you pay at least 80% of the tax due, **OR** the amount of tax remaining owing is less than \$1,000, the Department will not assess the additional 5% assessment penalty on the tax bill.

However, if the amount of tax underpaid is **BOTH** \$1,000 or more **AND** the amount of tax paid with the return is less than 80% of the actual tax owed, then your return is considered substantially underpaid. In these cases, the law requires the Department to issue a tax bill which includes a 5% assessment penalty based on the amount of additional tax owed

In all cases, the law required interest to be automatically included to the tax bill being issued.

11. How do I fill out the tax return?

- Visit our web site (dor.wa.gov) and get return instruction under the category forms and publications
- Call toll free 1-800-647-7706 to speak with a representative

12. How can I get additional information about the taxes involved in my type of business?

The Department makes information readily available. Visit the Department's web site at dor.wa.gov, or call Taxpayer Services toll free at 1-800-647-7706.

- Attend a tax workshop in your area
- Quarterly Tax Facts newsletter
- Business Tax Guides
- Industry Specific Guides
- Washington Tax Decisions
- Fact sheets on various taxes
- Special Notices
- Washington Administrative Code (WAC)
- Revised Code of Washington (RCW)

You can also request these publications from your local Revenue office. You can also write to Taxpayer Information and Education:

Department of Revenue
PO Box 47478
Olympia, WA 98504-7478

13. Do I have to send in the tax return if I have no business activity for the period?

Yes. You must file a tax return even if you had no business during the period. You may also call 1-800-647-7706 to file a "No Business Activity" return.

14. What are resale certificates and where can I get one if I am reselling items?

A resale certificate is a statement signed by a buyer that states the purchase is for resale in the regular course of business without use by the buyer. The buyer must indicate what kind of business he or she is in and the kind of goods or services being purchased. Once the seller accepts a resale certificate, the seller is relieved of collecting sales tax on the purchase.

You can obtain a resale certificate at our web site dor.wa.gov.

15. Can I use my resale certificate for personal use?

No. Sales tax is due on all supplies, equipment, products, and services used by the business. This is the case, even if the item being purchased will be resold after only a short time of use.

16. Can I use my UBI number for business purchases?

The Unified Business Identifier (UBI) issued to you can be used as a “resale” number if the purchase qualifies as a resale purchase. Use of the UBI number for resale purchases is only valid when the buyer certifies the item purchased is:

- for resale in the normal course of business without intervening use.
- for use as an ingredient or component part of a new article of tangible.
- as a chemical to be used in processing a new article of tangible personal.
- for use as feed, seed, seedlings, fertilizer, or spray materials in its capacity as a farmer.

If sales tax is not paid because the item is believed to be for resale at the time of purchase, but it is later used, then deferred sales tax or use tax is paid by the buyer that originally issued the resale certificate.

17. How will I know how much sales tax to charge?

State and local tax rate information is available at our web site dor.wa.gov. Updates are published quarterly and when sales tax rate changes occur.

18. What is the difference between sales tax, deferred sales tax, and use tax?

- The retail sales tax is imposed on persons who purchase nonexempt items of tangible personal property or retail

- services within the state as consumers, and the tax is generally required to be collected by the seller.
- However, there are three situations where a seller may be relieved of the duty to collect retail sales tax:
 - Situation 1: The seller receives a properly documented claim for tax exemption from the buyer.
 - Situation 2: The seller receives a properly executed resale certificate from a buyer who normally engages in both consuming and reselling nonexempt items of tangible personal property, and the buyer cannot determine at the time of purchase whether the property will be consumed or resold.
 - Situation 3: The seller does not have nexus in Washington State and is not required by law to collect Washington Sales tax.
 - In either Situation 1 or 2, if the buyer later finds that either the item is not exempt from taxes or finds they will use the item (will not resell the item), the deferred sales tax is owed. The deferred sales tax is paid at the same rate and sourced to the same city or county where sales tax should have been originally paid, so it is essentially sales tax paid directly by the buyer.
 - In Situation 3, use tax is owed. The use tax rate is generally determined by the location of first use in Washington State.

19. When is use tax owed?

Use tax is a tax on the use of goods or certain services in Washington when sales tax has not been paid. Like sales tax, use tax may be owed by businesses, Washington residents, and non-Washington residents. Goods and services used in this state are subject to either sales or use tax, but not both. Use tax is due if:

- Goods are purchased in another state that does not have a sales tax, and the goods are used in Washington.
- Goods are purchased in a state with a sales tax lower than Washington's, and the goods are used in Washington.
- Goods are purchased from someone who is not required to collect sales tax.
- Goods are purchased out of state by subscription, through the Internet, or from a mail order catalog company, and the company is not required to collect Washington State sales tax.

- Personal property is acquired with the purchase of real property.
- Products are consumed or used by a manufacturer for final use by the business

20. When is sales tax charged on services?

Sales tax is generally charged on the following services:

- Constructing, installing repairing, improving, cleaning, or decorating real or personal property for others
- Landscaping, lawn mowing, pruning, trimming, fertilizing and pest control (except when completed for farmers)
- Personal services such as: physical fitness services, fitness testing, fitness training, aerobic classes, yoga classes, tanning, tattooing, and message services.
- Guided tours or charters
- Towing and parking automobiles.
- Lodging (hotels, motels, resorts, etc.)-for less than 30 days
- The use of real property for less than 30 days
- Laundromats
- Renting or leasing tangible personal property
- Competitive and network telephone services
- Abstract, title insurance, escrow, credit bureau or tenant screening services
- Admission to active amusement or recreation facilities (golf, billiards, bowling, amusement parks, etc.)
- Non-janitorial cleaning of buildings

21. When is sales tax not charged on services?

Sales tax is generally not charged on the following services:

- Professional services (health practitioners, attorneys, accountants, etc.)
- Leveling land for agricultural purposes for farmers.
- Coin-operated laundry services for tenants and laundry services provided to nonprofit hospitals
- Renting or leasing of real property for more than 30 days
- Janitorial services consisting of routine cleaning such as wall and inside window washing, floor cleaning and waxing, and cleaning curtains and carpets in place
- Services rendered to live animals
- Instructional lessons
- Admission to viewing events such as movies or concerts

Secretary of State, Corporations Division

Agency-Specific Questions

1. Can a business become a corporation by just completing a Master Business Application?

No. State law requires that Articles of Incorporation must be completed and filed with the Secretary of State's Corporations Division in order for a business to be a corporation.

2. If I file a Master Business Application in another agency first, am I guaranteed that the name I put down will be okay for use as the name of my corporation, limited partnership, limited liability company or limited liability partnership?

No. Only the Corporations Division can determine if a corporate name can be used by comparing it with other corporations, limited partnerships, limited liability companies, limited liability partnerships and name reservations in their file.

3. If I am already using a business or trade name and later decide to incorporate or form a limited partnership, limited liability company or limited liability partnership, will I be able to use the same name for the corporation, limited partnership, limited liability company or limited liability partnership?

Only if a comparison with the name on the organizing documents and the Corporations Division files indicate that the name is not identical to or very similar to the name of another corporation, limited partnership, limited liability company, limited liability partnership or name reservation recorded there.

4. Why can the Secretary of State's office issue a UBI without a Master Business Application?

The majority of Articles of Incorporation or applications for Certificate of Authority to Do Business are not turned in by incorporators or owners of the corporations. They are received from service companies, attorneys, messengers, or accountants who do not have the information called for or the authority to sign the Master Business Application. State law does not allow the agency to refuse to file Articles of Incorporation because a Master Business Application has not been completed—that would be hindering

business. The purpose of the UBI program and its goal is to issue a single identification number to each business, so it is essential that the UBI be issued upon incorporation.

5. Why can't corporations with the same name (and owners) keep the same UBI number once they have been dissolved by the Secretary of State's office and the reinstatement period has expired?

A corporation is like a person; it has a "life" of its own. If it is dissolved for failure to pay its license fees, it can reinstate as the same corporation with the same UBI within 5 years for domestic profit corporations and 3 years for non-profit corporations. Limited Liability Companies have 2 years to reinstate. After the reinstatement period is over, however, the corporation cannot be revived; according to law it is "dead." If the owners wish to be a corporation again, they have to file *new* Articles of Incorporation. Under UBI policy, each *new* entity needs a new UBI number.

6. How can I check a name to see if it is available as a corporate name?

All names in the Corporations Division files are not on computer. Searches are done manually and are quite time consuming. Records are researched only as Articles of Incorporation or name reservation applications are presented for filing. No name searches are conducted by phone.

7. What is a name reservation? How do I get one?

Anyone wishing to reserve a name for corporate use may *write* to the Corporations Division, list up to 3 names in order of preference, and enclose the filing fee. The first name that is available will be reserved for a period of 180 days and the customer will be notified of the name that has been registered.

8. How is the filed date determined on Articles of Incorporation?

The filed date that is affixed to Articles of Incorporation is the date that the Articles are *received* in the Corporations Division in a form that meets statutory requirements and with the applicable fee.

9. Will someone call me when the Articles are filed?

Standard procedure for mailed in Articles is to return confirmation by mail, which includes Certificate and Filed/Stamped copy of the submittal.

10. What is the filing fee for Articles of Incorporation?

\$175.00. The fee includes the first year corporate license fee.

11. What is a Sub Chapter S Corporation?

A corporation must apply to the Internal Revenue Service for Sub Chapter S status shortly after incorporating. It has to do with the manner in which federal taxes are assessed, the size of the business, etc.

12. What is a foreign corporation? Do they register with the Corporations Division?

A corporation formed in a jurisdiction (state or country) other than Washington State is considered a foreign corporation. Foreign corporations file applications for a Certificate of Authority to do Business in Washington with the Corporations Division. There are a few exceptions to this requirement; however, *personnel in the Corporations Division cannot advise whether or not a corporation should register. We are happy to send a copy of the law to any firm considering qualification so they can make the determination based on their own in-depth knowledge of their operations.*

13. Why can't I get through on the Corporations Division phone lines?

The Agency responds to over 500 phone calls a day on the lines that feed off the (360) 725- 0377 number. You may wish to consider writing to the office at PO Box 40234, Olympia, WA 98504-0234 or sending an email to corps@secstate.wa.gov.

14. What happens if a foreign corporation changes their state of incorporation?

Foreign corporations, already on file with the Secretary of State's Corporations Division, that convert from one state of origin to another state, need to file an Amended Certificate of Authority (with the Secretary of State's office) and include copies of the conversion documents filed from each state in order to change the domicile state recognized by the Corporations Division.

15. What happens if a foreign corporation changes to an LLC?

Foreign corporations, already on file with the Secretary of State's Corporations Division, that convert from one legal structure to another (Corporation to LLC etc), need to file an Amended Certificate of Authority

(with the Secretary of State's office) and include a copy of the conversion document filed in the home state in order to change the legal structure type recognized by the Corporations Division.

16. Does the applicant need to complete a Master Business Application if they are a non-profit corporation?

If the non-profit corporation has trade names, paid employees, and/or sells tangible products at retail, the applicant must complete a Master Business Application.

Frequently Asked Questions Master Business Application

1. How do I know what registrations and licenses are needed for a business?

The business licensing guide is available online at www.dol.wa.gov to help anyone determine licensing requirements. Applicants can also contact MLS at 360-664-1400 to obtain a personalized licensing guide.

2. How much of the Master Business Application needs to be completed?

New businesses should complete all sections of the Master Business Application. If the application is being submitted to make changes to an already registered business, complete the sections indicated on the Master Business Application for the change indicated. An incomplete application will result in delays.

3. Who gets to see the Master Business Application?

The actual Master Business Application is seen only by field office and MLS (Master License Services – DOL) personnel. However, information contained on the Master Business Application can be released to the public if it is a matter of public record. See the Confidentiality Policy on page 11-1.

4. Why do we require a physical location address on the Master Business Application?

Licenses are attached to the physical location of a business, rather than to the business owner. The physical location information is also used by participating agencies to establish the existence of the business, properly distribute taxes, and handle Labor and Industries injury claims and safety inspections.

5. Why do we request the name of the applicant's bank and branch?

Participating taxing agencies use this information for collection of delinquent taxes, when necessary.

6. Why do we request the name of the previous business owner(s) of the business?

This information is used by participating taxing agencies to establish tax rates and liability.

7. Why do we request the spouse's Social Security number?

Certain licenses, such as liquor and lottery, require a background investigation of the applicant(s). The spouse's Social Security number is used to assist in the investigation.

If a sole proprietor is an employer, then Employment Security requires both the sole proprietor and their spouse's social security number.

8. What does "combined" or "separate" reporting mean?

If there is more than one business location for the entity being reported, all locations may be reported on one return (combined reporting), or each location may be reported on a separate return (separate reporting).

9. What signatures are required on the Master Business Application?

Accept all applications whether there is a signature or not. Although most applications do not require a signature, we would like the application signed by an owner, corporate officer or a member/manager of an LLC.

10. If the applicant needs or requests Industrial Insurance coverage, when will it be effective?

Coverage becomes effective when the application is received and date stamped at any UBI agency or MLS partner office. The application must indicate that employees have been or will be hired.

Elective coverage's are effective at 12:01 a.m. on the day after the form is received, unless a later date is indicated. The date that is generated by a date stamp or fax machine "tattoo" is considered the received date.

11. How does the applicant apply for elective coverage for industrial insurance (workers' compensation) on owners or other excluded employment?

To apply for this coverage the applicant must complete and return an application for elective coverage to L&I. This coverage will be effective the day after the form is received and stamped by L&I.

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Frequently Asked Questions UBI

1. What is a UBI number?

The Unified Business Identifier is a 9-digit number issued at the time a business registers with the State. This number is used by participating state and city agencies to uniquely identify the business entity. Even if an agency uses their own account number to identify a business, the UBI can be used as a cross-reference.

2. Which agencies participate in the UBI and Master License Service programs?

The agencies participating in the UBI program are: Secretary of State, Corporations Division; Employment Security Department; Department of Labor & Industries; Department of Licensing; and Department of Revenue. The following links provide the most current list of participating city and state agencies in the Master License Service program,.

<http://www.dol.wa.gov/forms/700031.pdf>

<http://www.dol.wa.gov/business/citycounty.html>

3. Am I required to have a UBI number?

Yes. This number is issued at the time of registration of a business and all businesses operating in the state of Washington must be registered. See exceptions in Chapter 3: Accepting a Master Business Application - Policy.

4. Is the UBI the number I use when corresponding with or submitting tax reports to state agencies?

Yes, with agencies participating in the UBI and Master License Service programs. While each agency may issue agency-unique numbers in addition to the UBI number, all agencies are able to identify a specific business using the UBI number or their agency-unique number.

5. Is the UBI number my "tax number", my "C number", or my "resale number"?

Yes, if you are properly registered with the Department of Revenue.

6. If I change my business structure, do I need to re-register and obtain a new UBI number?

Yes. A UBI number represents only one entity, and a change in business structure creates a new entity. (For more information about business structure changes, see Chapter 1: UBI Number - Policy.)

7. Will I receive a separate UBI number for each location of my business?

No. However, you need to file a Master Business Application for each location. Even though you have multiple locations, you may report all locations together for tax reporting purposes

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