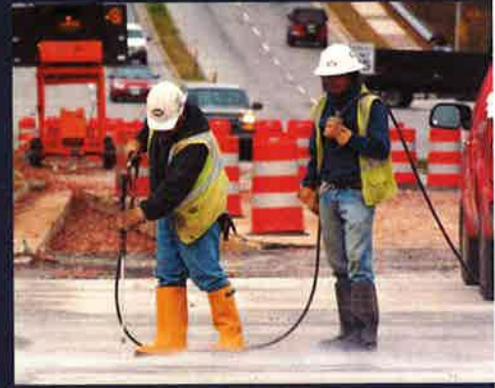


DOING BUSINESS IN SALEM, VIRGINIA

A STEP BY STEP GUIDE



SALEM  VA

WWW.SALEMVA.GOV

Welcome to the City of Salem:

Thanks for your interest in doing business in the City of Salem because new business means new jobs and greater opportunities to generate wealth in our city.

We certainly value the investment you're making and are looking forward to providing you assistance as you strive to launch and grow your business. ***Our Step by Step Guide to Doing Business in Salem*** has been designed to help navigate you through the processes required to get up and going as it relates to local and state requirements.

Our primary objective is to smooth the procedures for obtaining licensing needed to enable you to open your doors for business and to inform you of available business opportunities.

This guide will serve to acquaint you with City departments and regulations and what is expected of you from the various departments within City Hall that participate in the business licensing and the approval process.

If you have any questions about any of our regulations or other commercial requirements, start by contacting the Department of Economic Development at (540) 375-3007. Staff will walk you through the City business development process.

You have certainly made a good choice by coming to Salem. Our goal is that your business will be successful here. Please know that my door is always open.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kevin Boggess', with a long horizontal flourish extending to the right.

Kevin Boggess
City Manager

City of Salem Offices

Community Development Department

21 South Bruffey Street

(West Main Street past the Lowes Store – take a left on Bruffey St. Office on the right.)

Zoning

STEP ONE:

- Zoning Verification (for business license application)
- Home Occupations

Planning

- Special Exception Permits
- Rezoning

Building Inspections

STEP FOUR:

- Sign Permits
- Property Maintenance Inspections
- Building Permits
- Certificates of Occupancy

City Hall

114 North Broad Street

Ground Floor

Commissioner of the Revenue

STEP TWO:

- Business license
- Taxes

Utility Collections

STEP THREE:

- Sign up for utility services
- Pay utility bill

Treasurer's Office

STEP FIVE:

- Pay for business license
- Pay personal property tax
- Pay real estate tax

2nd Floor

Economic Development

- Information about available buildings and sites

Salem Courthouse

2 East Calhoun Street

Clerk of Circuit Court

- Research and register business trade names

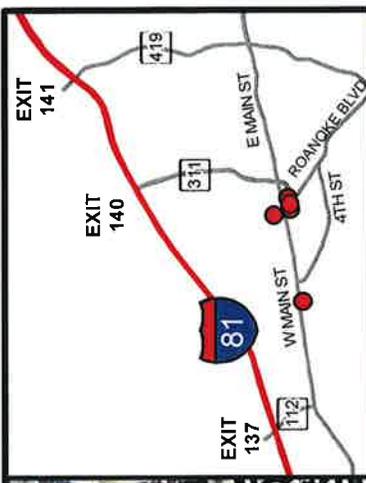
Police Department

36 East Calhoun Street

- Security Survey/Inspection

Roanoke County/Salem Health Department

105 East Calhoun Street



CITY HALL
114 N. Broad St.

HEALTH DEPARTMENT
105 E. Calhoun St.

SALEM POLICE DEPARTMENT
36 E. Calhoun St.

COURTHOUSE
2 E. Calhoun St.

Wheeler Alley

College Alley

Academy St

W Clay St

N. Broad St

E White Oak Alley

E Clay St

East Main Street

Colorado St

Cherry Alley

Calhoun St

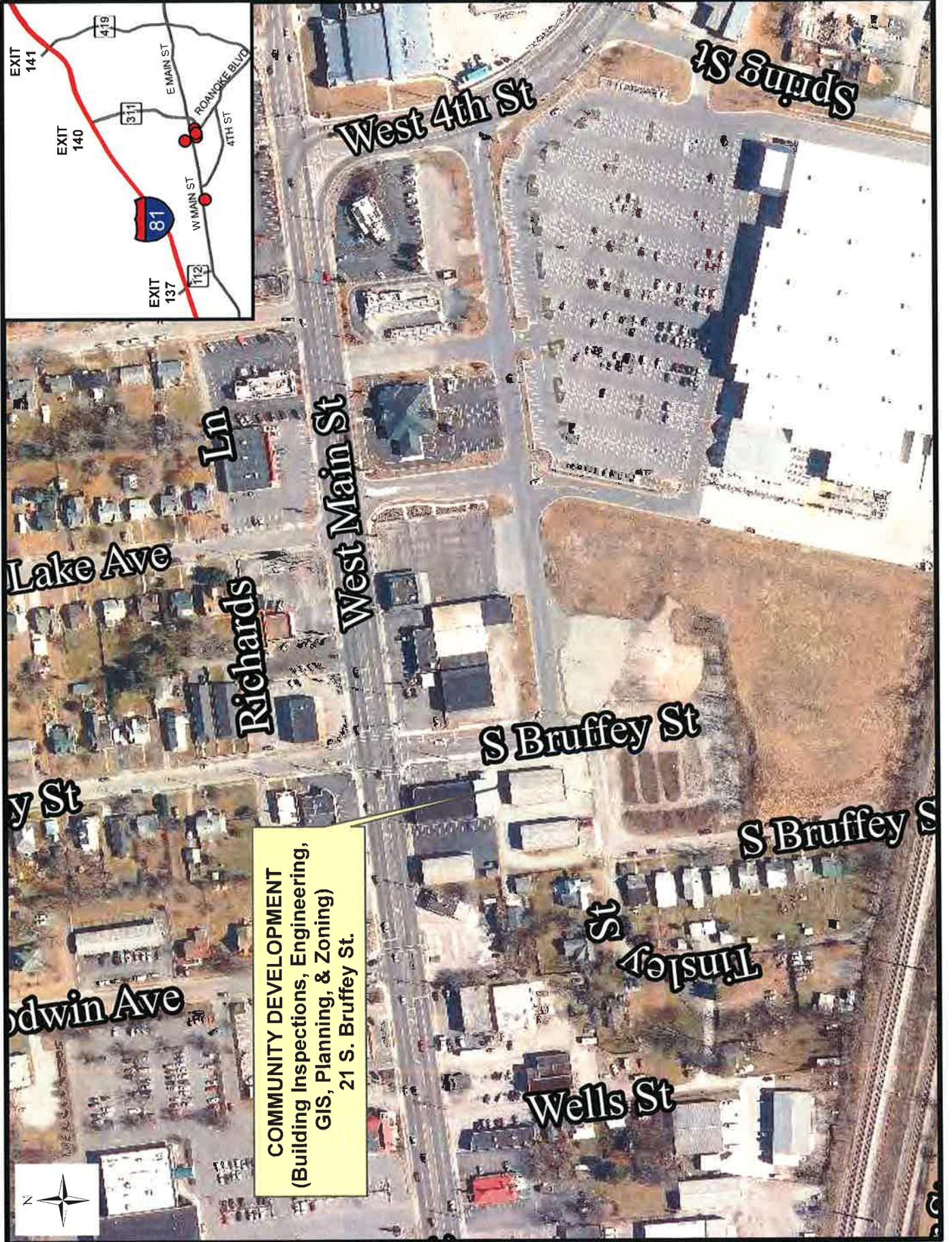
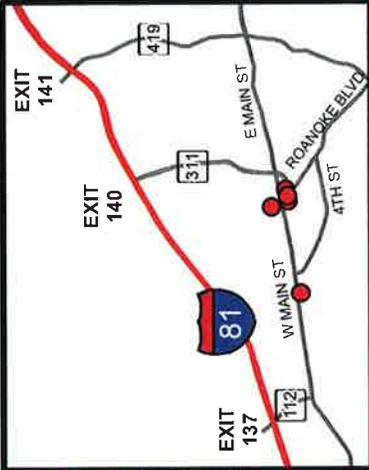
W Burwell St

S Broad St

E Burwell St

S Market St

E Calhoun St



COMMUNITY DEVELOPMENT
(Building Inspections, Engineering,
GIS, Planning, & Zoning)
21 S. Bruffey St.



Determining City Regulations

The City has certain requirements for all new businesses opening within its limits. You may call the numbers listed below or visit City Hall, 114 North Broad Street, just a block north of the Salem Farmers Market. Our business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

STEP ONE

Zoning Requirements

Consult the Zoning Administrator's Office to verify that your proposed business meets the use, area and parking requirements for the zoning district in which your establishment is located. You may check zoning by going to the City of Salem's website and conducting a property search through use of our Geographic Information System (GIS). You may access the GIS system by use of the following link: <http://gis.vgsi.com/salemva/Search.aspx>

If you require additional help, you may contact the Community Development Department by calling (540) 375-3036 or visit the office at 21 S. Bruffey Street. To receive information about rezoning, subdivision or special use permits, contact the Planning Department, also located at 21 S. Bruffey Street or call (540) 375-3036. Application forms and informational materials are available, and staff will be happy to assist you with your proposed business. The City of Salem does not own any buildings that can be leased to private businesses, nor can staff participate in lease negotiations for businesses. However, the Department of Economic Development keeps a comprehensive list of major buildings for lease or purchase within the city. The City of Salem also owns some land that is for sale to private businesses. Visit the Economic Development's website at

(<http://www.salemva.gov/departments/planning/PlanningDevelopment/AvailableCityOwnedPropertyOtherSites.aspx>) for additional information.

STEP TWO

Business License

The City of Salem requires a business license for all individuals and business entities which receive monetary compensation for goods sold or services rendered within the city limits, including individuals who work from their home or are self-employed. License fees are based on the total gross receipts of the business for the previous year (or total purchases for a wholesale business) and are taxed at varying tax rates depending on the nature of the business. New businesses will use estimated gross receipts for their first year in operation. Licenses must be obtained within 30 days of beginning operation within the City and are renewed annually by March 1st. Applications are available in the Commissioner of the Revenue's office located on the ground floor of City Hall or online at

<http://www.salemva.gov/departments/commissioner/CommissioneroftheRevenue/BusinessTax.aspx>.

STEP THREE

Utilities and Trash Collection

New business owners must open electric accounts through the Utility Collections Department on the ground floor of City Hall. The amount of deposit to open the account is determined by the nature of the business. Electricity is billed monthly.

Sewer and water accounts also are set up through Utility Collections.

Trash collection is established through Utility Collections. The City of Salem offers dumpster service. Check with the Streets and General Maintenance Department for additional information related to dumpster service. That number is **(540) 375-3039**.

STEP FOUR

Building, Occupancy and Sign Permits/Fire Licenses

In addition to zoning requirements, the Building Officials Office can help you to determine if your new business requires a building permit. A permit may be needed if your location involves new construction, alterations or additions. A permit is required when repairs or additions are made that impact the plumbing service, mechanical system and structural portions of the building; and when changes are made to means of egress or the footprint of the building.

The Building Officials office also is responsible for Code Enforcement. Signs are regulated by the City of Salem sign ordinance and building code. You can find out more about the construction of signs at the following website:

http://library.municode.com/HTML/11522/level2/PTIICO_CH66SI.html

Application forms are available for required permits and licenses in the Building Officials Office, 21 South Bruffey Street. For more information, call **(540) 375-3036** or visit their website <http://www.salemva.gov/departments/engineering/BuildingInspections.aspx>.

STEP FIVE

Treasurer's Office

The office is responsible for collecting payments for business licenses and home occupation permits.

Police

The Police Department, through the Crime Prevention section, provides a building security survey/inspection tailored to fit the needs of your business. An officer can visit the premises to conduct an on-site inspection and give suggestions for crime prevention measures such as proper security locks, as well as crime prevention tips for burglary, robbery, graffiti, and vandalism. For further details, visit the Police Department's website (<http://www.salempdva.com/>) or call **(540) 375-3010** to schedule an appointment.

ADDITIONAL INFORMATION

FOR AN EMPLOYER IDENTIFICATION NUMBER (EIN):

Call or visit your local IRS office to get an IRS **Employer Identification Number (EIN)**. The IRS, Social Security Administration, and the Virginia Employment Commission, use an EIN to identify businesses on all returns, statements, and other documents. Applying for an EIN should be one of your first steps to starting a business. You must file form SS-4 which may be obtained from your local IRS Office (no cost involved). The Office also has other forms with instructions that are required for a new business. A sole proprietor with no employees may use his/her social security number for filing tax returns. The Federal EIN is also used as your Virginia EIN for state withholding. You must apply for a separate employer ID number for State Unemployment Insurance Tax payments. The IRS conducts seminars and issues publications describing the forms necessary to start a business.

There are two methods to obtain an EIN immediately. First, and the preferred method of the IRS, is the Internet EIN. This can be obtained online any day of the week (various hours, check the website for availability). The second method is over the phone at the I.R.S. Business & Specialty Tax Line: (800) 829-4933 weekdays during the hours of 7:00 a.m. to 10:00 p.m. local time. Alternately, it can be obtained by fax, which will take up to 4 business days; or obtained by mail, which will take up to 4 weeks.

After you have received your EIN from the IRS, contact the Virginia Department to register your business at:

**Department of Taxation
Registration Unit
Post Office Box 1114
Richmond, Virginia 23218-1114
(804) 367-8037**

Visit the website for more information:

<http://www.tax.virginia.gov/site.cfm?alias=RegBus>

Registration of a Fictitious or Assumed Trade Name

The Commonwealth of Virginia requires that a fictitious or assumed trade name certificate be filed with the appropriate Circuit Court(s) if a business is being conducted under a name other than the owner's legal name. It is your responsibility for determining whether there is an existing business or organization using the same name. In order to make that determination you begin in the Salem Circuit Court's office located at 2 East Calhoun Street. The phone number is (540) 375-3067. The clerk will show you how to research the name. After you have determined the name of your business, a \$10 fee is required to register the name. The clerk's office accepts cash or check only.

If the business will have **Employees:**

(a) **Unemployment Insurance.** Not all employing units in Virginia are subject to the taxing provisions of the unemployment compensation law. Coverage (tax liability) is determined by the number of workers employed, the duration and nature of services performed, and the amount of wages paid for services in employment. Once the liability conditions are met for your type of employment, you are required to report the total payroll for the entire year, by quarter, and pay the appropriate amount of taxes. Most employers are liable if you have one or more employees who work for any portion of a day in twenty different weeks in a calendar year, or if your total gross payroll for any calendar quarter is \$1,500 or more.

For detailed information regarding the Unemployment Insurance Program, contact:

Virginia Employment Commission

Workforce Center

1351 Hershberger Road

Roanoke, VA 24014

Tel: (540) 204-2660

<http://www.vec.virginia.gov/employers/tax-registration>

(b) **Workers' Compensation.** All employers are subject to the Virginia Workers' Compensation Law, which protects employers from employee liability for work-related injury and disease. This law provides prompt and reasonable income and medical benefits to work-related accident victims or their dependents. Any authorized independent insurance agent can provide the coverage. For additional information contact:

Virginia Workers' Compensation Commission

1000 DMV Drive

Richmond, VA 23220

Phone:

For general questions, please contact the Customer Contact Center toll free at 1-877-664-2566 from 8:30am - 4:45pm

<http://www.vwc.state.va.us/portal/vwc-website>

(c) **State Withholding Taxes.** Every employer is required to register with the Virginia Department of Taxation. Employers will use the EIN or social security number for identification.

Direct any questions to:

Virginia Department of Taxation

1957 Westmoreland Street

Richmond, VA 23230

Office of Customer Services

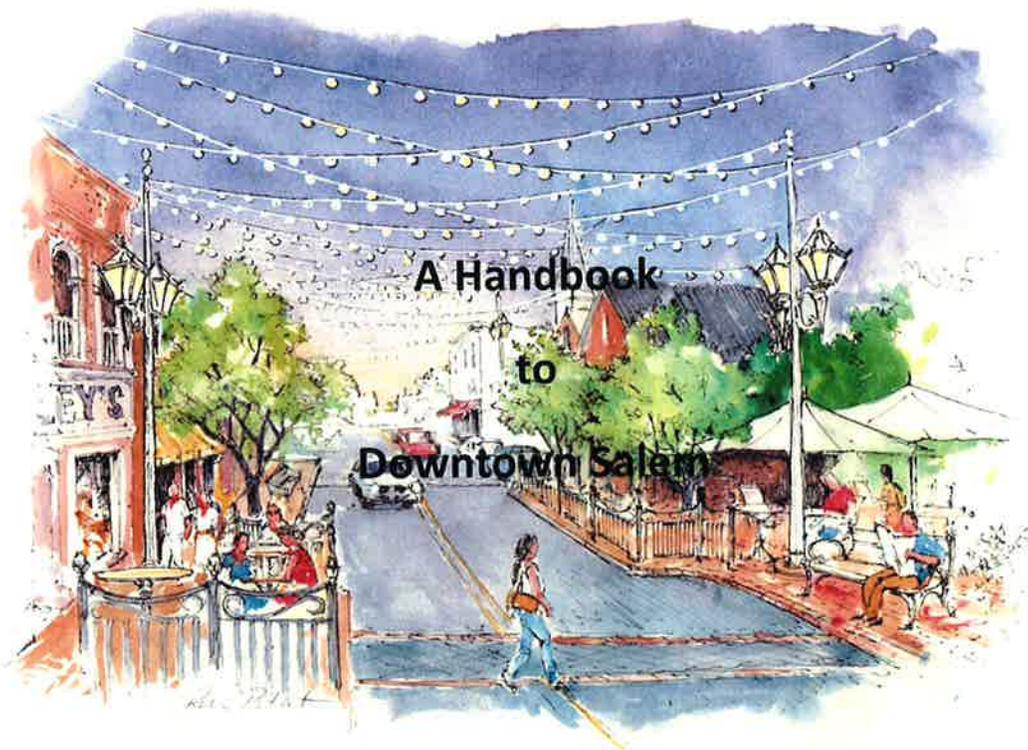
Post Office Box 1115

Richmond, VA 23218-1115

Service Hours: Monday-Friday, 8:30 a.m.-4:30 p.m.

<http://www.tax.virginia.gov/>

Tel: (804) 367-8037



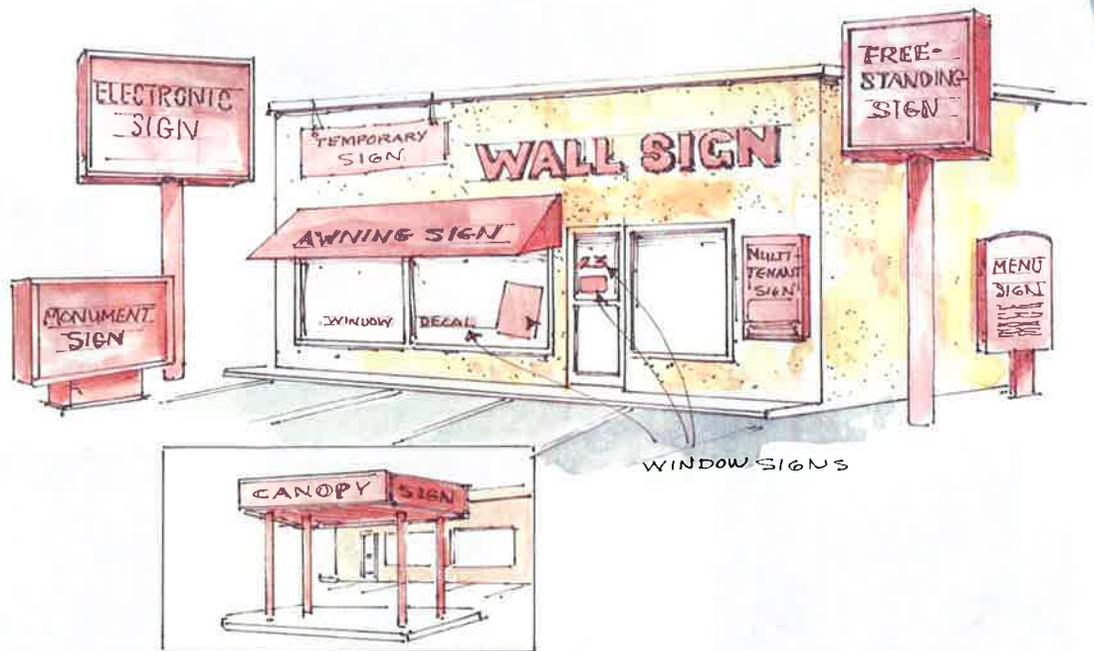
If your business is located in Downtown Salem, please view the Handbook to Downtown for additional resources. Please contact the Department of Community Development at 375-3032.



The Salem Roanoke County Chamber of Commerce provides additional assistance to new businesses. Please contact them for membership, grand opening assistance, and other resources. (540) 387-0267 or www.s-rcchamber.org.

SALEM VA

SIGN REGULATIONS



Before making any decisions regarding your business signage, please contact the Department of Community Development at (540) 375-3032 or communitydev@salemva.gov



TEMPORARY SIGNAGE: SEE EXAMPLES BELOW

Temporary signs are limited to one sign for 30 days every 3 months with a sign permit. Size limitations do apply. Please contact Building Inspections at 375-3036.



GRAND OPENING SIGNAGE:
Additional signage may be allowed for a one time only grand opening event. Please contact Building Inspections at 375-3036.

PROHIBITED SIGNS:

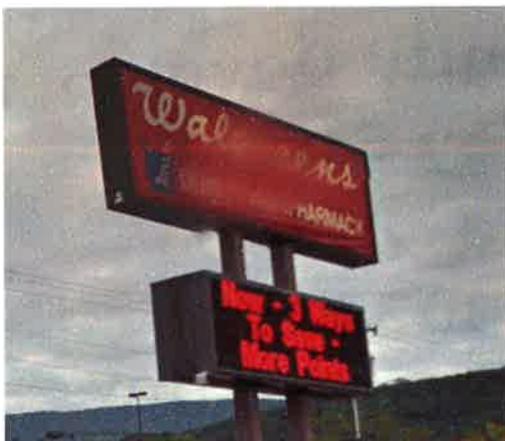
Snipe Signs
are
prohibited



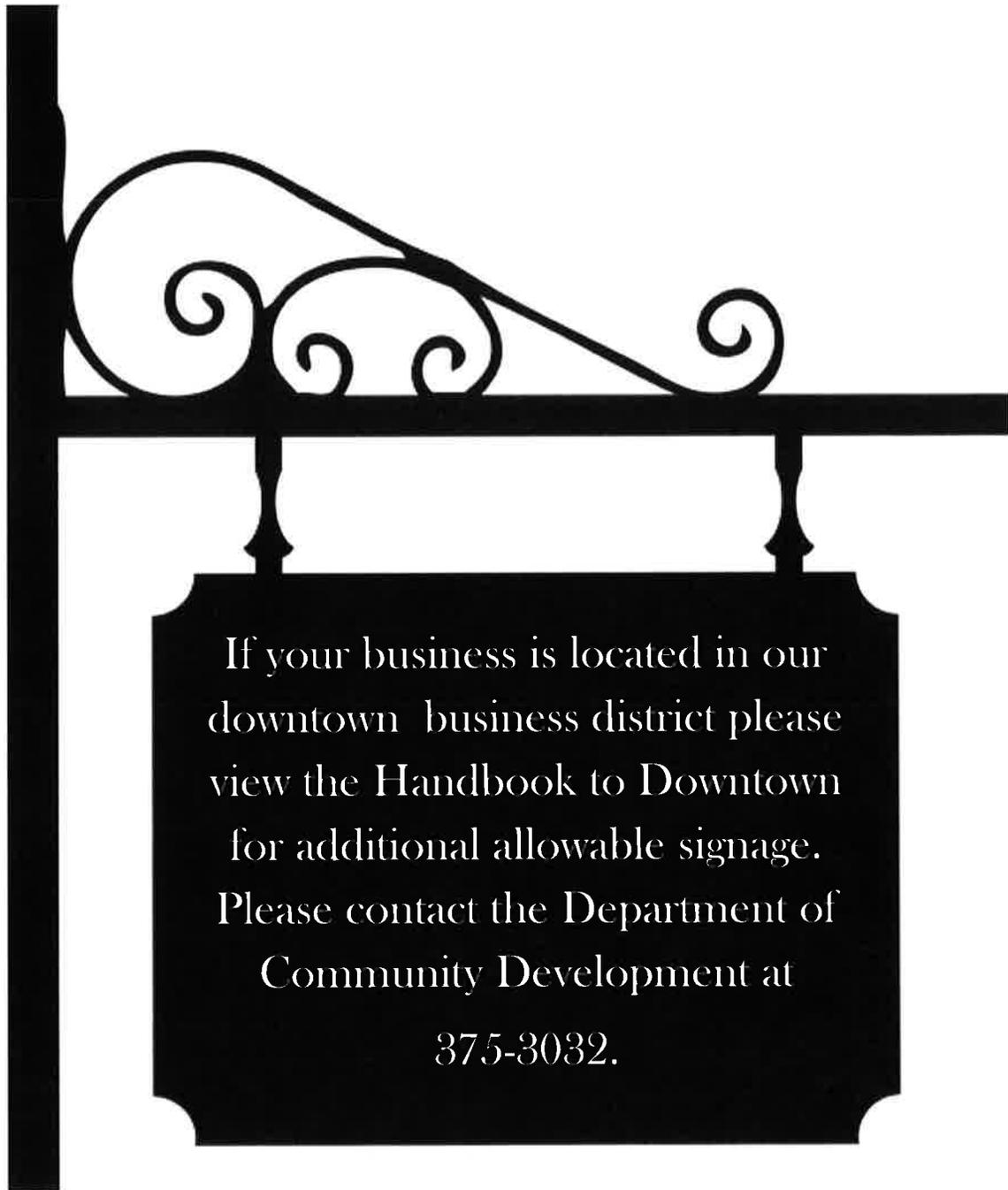
Mechanical Movement Signs are
prohibited except for Barber Poles

ADDITIONAL INFORMATION:

Window Signs
cannot exceed
25% of the
window.



Electronic Signs are only allowed in certain zoning districts and have strict regulations. Please contact the Building Inspections Office for more information.
(540) 375-3036



If your business is located in our
downtown business district please
view the Handbook to Downtown
for additional allowable signage.
Please contact the Department of
Community Development at
375-3032.

Department of Community Development
21 South Bruffey Street
Salem, Virginia 24153
(540) 375-3032
communitydev@salemva.gov

FORMS





CITY OF SALEM, VIRGINIA

New Business Owner:

The Commissioner of the Revenue's Office would like to take this opportunity to assist you in getting a good start in Salem. Below is a guideline on how to initiate the licensing procedure for the City of Salem:

- ❖ Register Business DBA/ Trade name with the Clerk of Circuit Court. Located at 2 E Calhoun Street, phone number 375-3067.
- ❖ Check with the Zoning Administrator to ensure zoning is correct. Located at 21 S. Bruffey Street, phone number 375-3036.
- ❖ Any in home business must apply through the Zoning Administrator to obtain a Home Occupation Permit prior to applying for license. Located at 21 S. Bruffey Street, phone number 375-3036.
- ❖ Obtain any State Required Licensure or Inspections and provide documentation required by the Commonwealth of Virginia.*
- ❖ Follow the attached check list to ensure you have completed all steps necessary to obtain licensure.

Our office hours are 8:00 am to 5:00 pm, Monday through Friday. If we can be of any further assistance please feel free to come by or contact our Business License Inspector, Sidney Kuzmich, by email skuzmich@salemva.gov or by telephone at (540) 375-3019.

* According to the Commonwealth of Virginia Attorney General, in compliance with the Immigration Act and Code of Virginia 40.1-11.1, applicants wishing to obtain a business license in Virginia must provide documentation that is approved by Federal Law to establish residency. This documentation includes, but is not limited to, driver's license, social security card, US passport, resident alien cards, alien registration cards, and state corporation documents.

CITY OF SALEM

NEW BUSINESS CHECKLIST

Please use the checklist below to insure you have completed all steps necessary in order to obtain your business license. Feel free to contact our office with questions you may have regarding if a requirement may pertain to your specific business.

- Register DBA/Trade name with the City of Salem Clerk of Court* (540)375-3067 or www.courts.state.va.us/courts/circuit/Salem/home.html
- Have zoning or home occupation permit issued by the Zoning Administrator in the Community Development Office* (540)375-3036 or www.salemva.gov
- Provide documentation from the State Corporation Commission if Incorporating (866)722-2551 or www.scc.virginia.gov
- Provide proof of residency (i.e. driver's license, social security card, US passport, etc.)
- Provide Health Department documentation if serving food (540)857-7800 or www.vdh.state.va.us
- Provide approved seats information from Alcoholic Beverage Commission if serving alcohol (540)562-3535 or www.abc.state.va.us
- Register for meals and lodging tax with the City of Salem Commissioner's Office (540)375-3019 or www.salemva.gov
- Register with the Virginia Department of Taxation (804)367-8037 or www.tax.virginia.gov (sales and use tax, withholding tax, etc.) When registering you will use Salem's FIPS code: 51775
- Apply for Federal ID number if desired with the IRS (800)552-7945 or www.irs.gov
- Register for Admissions Tax or Short Term Rental with the City of Salem Commissioner's Office (540)375-3019 or www.salemva.gov
- Register for Worker's Compensation Insurance with the Worker's Compensation Commission (877)664-2566 or www.vwc.state.va.us
- Receive approval from the Department of Social Services for adult care services or child care for more than 5 children (540)853-2591 or www.dss.state.va.us
- Provide certificate of state licensure for all occupations required to do so by the Virginia Department of Professional & Occupational Regulation (i.e. contractors, beauticians, cosmetologists, etc.) or any other State Agency. For complete list visit www.vdba.virginia.gov
- Register with Virginia Employment Commission for Virginia Unemployment Tax (540)204-9660 or www.vaemploy.com
- Attach complete listing of all equipment used in the business with purchase year and price. Provide separate listing of all equipment leased to the business with name and address of the Lessor.

* Must provide signature on license sign off sheet or copy of paid receipt

City of Salem, VA
New Business Information Request

Trade Name of Business: _____

Sole Proprietor: _____ Partnership: _____ LLC _____ Incorporated: _____

Sole Proprietor's Name: _____

Social Security Number: _____

Corporation Name: _____

Corporation Registered Agent Name: _____

Federal ID Number: _____

State License Number: _____ VA Sales & Use Number: _____

Are you Selling: Beer & Wine on __ off __ Tobacco __ Alcohol Seats Approved _____

Name and Social Security Numbers of all owners or Officers: _____

Individuals Authorized to Access Account Information: _____

Physical Address of Business: _____

Mailing Address of Business: _____

Local Phone Number(s) of Business: _____

Corporate Phone Number: _____ Fax Number: _____

Email: _____ Web Site: _____

Detail Description of Type of Business: _____

Businesses' First Day of Operation in Salem City: _____

**If Relocating to Salem Previous Locality: _____

Estimated Gross Receipts through December 31st: _____

** Please give actual gross receipts for each year in business if beginning operation date is prior to Jan. 1 of current year**

Signature: _____ Date: _____



NEW BUSINESS

Name of Business: _____

Business Address: _____

Type of Business: _____

BUSINESS DBA/TRADE NAME: Code of VA. 59.1-69. All business names must be registered with the Clerk of the Circuit Court at 2 E. Calhoun Street PRIOR to a license being issued. 540-375-3067.

Approved: _____
Clerk of Circuit Court

Date: _____

HOME OCCUPATIONS: A Business from a residential location must have a Home Occupation Permit from the Community Development Office, Zoning Administrator. 540-375-3036.

Approved: _____
Zoning Administrator or Representative

Date: _____

ZONING: The zone in which a business is operated must be approved by the Community Development Office, Zoning Administrator, before a license can be issued. 540-375-3036.

Approved: _____
Zoning Administrator or Representative

Date: _____

***FOR INFORMATION REGARDING TEMPORARY OR PERMANENT SIGN PERMITS, PLEASE CONTACT THE SALEM COMMUNITY DEVELOPMENT OFFICE 540-375-3036. ***

SAMPLE BUSINESS ASSET LISTING

Your Assets will be unique to your business. Please provide information on ALL equipment used or located in your business as is required by State of Virginia Code Section 58.1-3518.

<u>YEAR PURCHASED</u>	<u>DESCRIPTION OF ITEM</u>	<u>COST</u>
2013	Laptop Computer	\$1,000
	Fax Machine	\$150
	Copier/Scanner	\$249
	Filing Cabinets (4)	\$200
	Printer	\$100
	Outdoor Signs (2)	\$4,000
	Desk	\$175
	Chair	\$75
	Magazine Racks (2)	\$54
	Lobby Chairs (10)	\$200
	Coffee Maker	\$59
	Microwave	\$110
	Counter	\$525
	Telephone System	\$1,421
	Telephone Installation	\$378
	SUBTOTAL	----- \$8,696
2014	Showcases (3)	\$525
	Desktop Computer	\$1,200
	Misc. Shop Tools	\$5,500
	Compressor	\$419
	Installation of Compressor	\$169
	Electric Lifts	\$3,000
	Installation of Lifts	\$299
	Forklifts (2)	\$12,000
	Ladder	\$65
	Power Drills (3)	\$799
	Reciprocating Saw	\$1139
	Saw Table	\$678
	SUBTOTAL	----- \$20,793
2015	42" LCD TV	\$2260
	DVD Player & Speakers	\$524
	SUBTOTAL	----- \$2,784
	TOTAL ASSETS	\$32,273



BUSINESS LICENSE TAX LIABILITY FORM

FED ID OR SS# _____ SOLE PROPRIETOR PARTNERSHIP LLC INCORPORATION

OWNER(S): _____ TRADE NAME: _____

SALEM BUSINESS LOCATION: _____ DATE BUSINESS BEGAN IN SALEM: _____

MAILING ADDRESS: _____

BUSINESS PHONE: (____) _____ - _____ EMAIL ADDRESS: _____

FILING, REMITTANCE, & PENALTY

Pursuant to City of Salem Code 22-43.1 every person shall apply for a license for each business or profession before engaging in a business in the City of Salem. Business Licenses are renewed annually on or before March 1 each year. Upon payment a business license decal will be issued which is required to be posted in general view of the public. A penalty of 10% of the tax or \$10, whichever is greater not to exceed the amount of the tax shall be imposed on all payments not received on or before March 1st of each year. Interest will also accrue at a rate of 10% per annum.

Failure to comply with the provisions as set forth in the City of Salem Code is punishable as a criminal offense. Each violation constitutes a separate offense. A criminal conviction does not relieve such person from the payment of the tax. Corporate/partnership officers, directors, and members are personally liable and personally responsible for payment of said tax.

OWNER/OFFICER LIABLE FOR TAX FILING AND REMITTANCE

FULL LEGAL NAME (1) (PRINT) TITLE SOCIAL SECURITY #

ADDRESS CITY STATE ZIP CODE HOME PHONE

FULL LEGAL NAME (2) (PRINT) TITLE SOCIAL SECURITY #

ADDRESS CITY STATE ZIP CODE HOME PHONE

I ATTEST BY SIGNING BELOW THAT I AM THE PARTY RESPONSIBLE FOR FILING AND REMITTING THE LOCAL BUSINESS LICENSE TAXES FOR THE ENTITY NAMED ABOVE. I UNDERSTAND THAT FAILURE TO FILE AND PAY THIS TAX BY MARCH 1ST OF EACH YEAR MAY RESULT IN A PENALTY AND INTEREST BEING ASSESSED AGAINST MY ACCOUNT. FAILURE TO COMPLY WITH ANY PROVISION OF THE TAX ORDINANCES REGARDING LOCAL BUSINESS LICENSE TAX SHALL BE PUNISHABLE AS A CRIMINAL OFFENSE.

SIGNATURES MUST BE NOTARIZED

SIGNATURE 1 DATE SIGNATURE 2 DATE

City/County of _____ State of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____

by _____.

Notary Public _____

Notary registration number: _____

My commission expires: _____