

Review of Master Business License in the District of Columbia

1. Who needs to obtain an MBL:

- A. any individual, organization, association (including non-profit)
- B. that generates more than \$2,000/yr¹ of gross receipts
- C. in D.C.
- D. New Development - A decision was reached three weeks ago by D.C. government to exempt all physicians and other medical professionals who have a professional license in DC from filing the Master Business License Application. This is different from the original position of D.C. government and the advice we received. All foreign corporations must continue to be registered in the District and all of its professionals must have a D.C. professional license. There are no other exemptions known at this time (including a proposed attorney exemption that has not yet been approved).

2. What you need in hand to obtain an MBL:

- A. **Federal Employer Identification Number** (“FEIN”, sometimes called a Tax Identification Number “TIN”). If the business is a sole proprietorship or a partnership, you can use the owner’s social security number. If you are a corporation or limited liability company, you or your accountant have probably already secured an FEIN². If you need to apply for a FEIN, you can:
 - 1. Go to www.irs.gov/pub/irs-fill/fss4.pdf or at www.IRS.gov, search for “SS-4” and fill-in-the-form or you can call 800-829-3676 and have them fax you a form.
 - 2. When you have filled out the SS-4, you can
 - a. mail it to: IRS
Attn: Entity Control
Philadelphia, PA 19255
 - Or
 - b. You might be able to obtain your FEIN immediately by

¹There was some discussion by the D.C. Council about raising the \$2,000 to \$20,000, but Sharon Ambrose’s office advised us in late November, 2002, that it was unlikely to come about.

²Do not accidentally apply for a second FEIN. It will cause nightmares.

telephoning 866-816-2065.³

B. Certificate of Occupancy (“C of O”) or Home Occupation Permit (“HOP”)
ONLY if the business is physically located in D.C.

1. If you are in an office building, obtain the building’s C of O number AND date of issuance from your building manager. If you operate out of your own building or a smaller townhouse structure, you will need to apply for a C of O (cost varies with square footage) provided your zoning is appropriate.
2. If you are operating out of your home, you may be eligible for a Home Occupation Permit costing \$50. Requirements to satisfy are:
 - a. In your personal residence
 - b. no more than 25% used for business, but not more than 250 s.f.
 - c. no more than one non-resident employee
 - d. no modifications to dwelling that would make it difficult to return the dwelling to residential use
 - e. one exterior sign, unlit, flush mounted, less than 144 square inches
 - f. No more than 2 vehicles can be used in the practice (no parking or storage of commercial vehicles)
 - g. No more than 8 daily trips by visitors, customers and delivery persons
 - h. No more than 8 clients per in any one-hour period
 - i. No commercial food preparation
 - j. A bed and breakfast is considered a home occupation, provided that it is a single-family home, breakfast is the only meal served and usually no more than two sleeping rooms
 - k. Historic districts may impose other requirements

Normally the application for a Home Occupation Permit is reviewed by the Zoning Division. There is an Expedited Home Occupation Permit Application available if you satisfy the foregoing AND the following:

³Have a book handy to read. There is a long wait.

- l. Noise, odor, vibration levels, and radio/television reception interference not increased by business
 - m. No vehicular trips to the home
 - n. No sale of products except by telephone
 - o. Business does not involve services for children such as tutoring or childcare
 - p. Profession does not require licensing by Department of Health
3. All forms available on-line at www.DCRA.DC.gov and click on “Permits” or visit 941 N. Capitol St NE, Room 2300

C. Registration with DC Office of Tax and Revenue (“OTR”)

- 1. Most businesses need to file the form FR-500 (Combined Business Tax Registration Form) available either at 941 N. Capitol Street NE, 1st Floor, or on the web at www.CFO.DC.Gov.

D. Registration of Corporations, Limited Partnerships or Limited Liability Companies.

- 1. All such entities doing business in D.C. must be registered with the Corporations Division of the D.C. Department of Consumer and Regulatory Affairs (“DCRA”). For instructions, go to www.dcradc.gov and click on “Corporate Registration”. For information on this call: 202-442-4432.

Jackson & Campbell, P.C. has extensive experience in assisting its business clients with all aspects of the MBL, from actually preparing the application and compiling information to resolving any filing roadblocks with the DCRA. J&C has been at the forefront of working with the MBL office on issues relating to the entire program and is well versed in resolving issues that relate to certificates of occupancy and filing questions. If you would like to find out more about the services Jackson & Campbell, P.C. has to offer in relation to the Master Business License Program please contact John Matteo at 202-457-5457 or via email at jmatteo@jackscamp.com.