Starting A Business in Mobile
A Resource Guide

When operating a business in the Mobile area, city and county business licenses and certain privilege licenses are necessary for business operation and should be researched by contacting the appropriate agencies. Business owners must also consider taxes and licensing fees. These taxes include city, county, and state sales tax, federal and state payroll taxes and social security withholdings, federal and state income taxes, and unemployment compensation taxes.

This brochure is intended to be an informational resource for businesses wishing to locate or start in Mobile. The Mobile Area Chamber of Commerce stands ready to assist throughout the process. Contact the Mobile Area Chamber’s Small Business Development Department at 251-431-8607 or visit www.mobilechamber.com/small-business/

Mobile Business Center

The Mobile Business Center in the city’s revenue department is a one-stop to obtain assistance for licenses, zoning, signs, tree and landscaping regulations, health department certification, liquor licenses and police clearance, if necessary.

Business License and Certifications

A business license is required to operate each separate business activity within the city of Mobile. An annual license fee is due January 1 and is based on the type of business and gross revenues generated. The first year license deposit and issuance fee is $130. A business starting after July 1 will be charged 50 percent of the first year’s rate.

Resources

City of Mobile - Mobile Business Center
251-208-7462
www.cityofmobile.org

Urban Development Department
251-208-7091
www.urban.cityofmobile.org

City of Mobile Police Records Department
251-208-7211
www.mobilepd.org

Mobile County - License Commissioner
251-574-4800
www.mobilecountyal.gov

Mobile County Health Department
251-690-8158
www.mobilecountyhealth.org

Urban Development Department

The urban development department is responsible for the health, safety and general welfare of the citizens of Mobile before, during and after development/construction by regulating and enforcing the vast number of codes, laws, acts, regulations and ordinances related to development and construction within the city of Mobile. Urban development sections include: planning, code administration, zoning, urban forestry and safety.

Businesses must be properly zoned and depending on the company’s business category and the location, businesses receive B-1, B-2 or B-3 certification. Other municipalities within Mobile County should be contacted directly for specific information.
Taxes

Sales Tax

In general, the total sales tax for businesses located in the city of Mobile is 10 percent. The breakdown is as follows: city of Mobile – 5 percent, Mobile County – 1 percent and the state – 4 percent. City and county taxes may be filed electronically through eMobile, the city’s online tax filing system. State sales, lease and use taxes at one electronic location rather than submitting multiple tax reports. ONE SPOT is free of charge. It is optional for businesses but it provides an efficient one stop filing option. To sign up for the ONE SPOT system, businesses can go to a state website: https://myalabamataxes.alabama.gov.

City of Mobile Revenue Department
251-208-7462

Mobile County Revenue Commission
251-574-8530

Personal Property Tax

Business owners are required to pay taxes on inventory of personal property (i.e. office equipment, office supplies, furniture, etc.). For more information on the personal property tax, contact:

Mobile County Personal Property Department
251-574-4714

Another option for businesses that file in multiple taxing jurisdictions is the State of Alabama’s free online portal "ONE SPOT" (Optional Network Election for Single Point Online Transactions). Through ONE SPOT Alabama businesses can file their tax returns and pay their city, county and state sales, lease and use taxes at one electronic location rather than submitting multiple tax reports. ONE SPOT is free of charge. It is optional for businesses but it provides an efficient one stop filing option. To sign up for the ONE SPOT system, businesses can go to a state website: https://myalabamataxes.alabama.gov.

Federal Taxes

An Employer Identification Number (EIN) is used to identify a business entity and is needed to pay federal withholding tax. A sole proprietor may use his or her social security number as the EIN, unless the proprietorship has employees or is required to file any business tax forms. A partnership or corporation must have an EIN whether or not it has employees. Apply for an EIN at www.irs.gov/businesses/small.

Internal Revenue Service – Mobile Office
1110 Montlimar Drive, Suite 300
Mobile, AL 36609
251-341-5937
www.irs.gov

Employers are required to withhold federal income tax (FIT), Social Security and Medicare taxes (FICA) from the wages paid to employees.

Social Security Administration
550 Government Street, Suite 100
Mobile, AL 36602
1-866-593-1922
www.ssa.gov

Alabama Income Taxes

Any business that hires employees and pays wages needs an Alabama income tax withholding number to hold and remit the taxes to the Alabama Department of Revenue. Proprietors, partners, corporate shareholders and others must report estimated earnings and pay income tax quarterly.

Alabama Department of Labor
www.labor.alabama.gov

If self-employed, contributions are made through the self-employment tax reported on the Employer’s Quarterly Federal Tax Return. FICA (Social Security) taxes are paid by both the business and the employee. All employees must have a Social Security Number.

Alabama Department of Revenue
251-344-4737
www.ador.alabama.gov/salestax

www.irs.gov/businesses/small

Another option for businesses that file in multiple taxing jurisdictions is the State of Alabama’s free online portal "ONE SPOT" (Optional Network Election for Single Point Online Transactions). Through ONE SPOT Alabama businesses can file their tax returns and pay their city, county and state sales, lease and use taxes at one electronic location rather than submitting multiple tax reports. ONE SPOT is free of charge. It is optional for businesses but it provides an efficient one stop filing option. To sign up for the ONE SPOT system, businesses can go to a state website: https://myalabamataxes.alabama.gov.

City of Mobile Revenue Department
251-208-7462

Mobile County Revenue Commission
251-574-8530

Personal Property Tax

Business owners are required to pay taxes on inventory of personal property (i.e. office equipment, office supplies, furniture, etc.). For more information on the personal property tax, contact:

Mobile County Personal Property Department
251-574-4714

Another option for businesses that file in multiple taxing jurisdictions is the State of Alabama’s free online portal "ONE SPOT" (Optional Network Election for Single Point Online Transactions). Through ONE SPOT Alabama businesses can file their tax returns and pay their city, county and state sales, lease and use taxes at one electronic location rather than submitting multiple tax reports. ONE SPOT is free of charge. It is optional for businesses but it provides an efficient one stop filing option. To sign up for the ONE SPOT system, businesses can go to a state website: https://myalabamataxes.alabama.gov.

Federal Taxes

An Employer Identification Number (EIN) is used to identify a business entity and is needed to pay federal withholding tax. A sole proprietor may use his or her social security number as the EIN, unless the proprietorship has employees or is required to file any business tax forms. A partnership or corporation must have an EIN whether or not it has employees. Apply for an EIN at www.irs.gov/businesses/small.

Internal Revenue Service – Mobile Office
1110 Montlimar Drive, Suite 300
Mobile, AL 36609
251-341-5937
www.irs.gov

Employers are required to withhold federal income tax (FIT), Social Security and Medicare taxes (FICA) from the wages paid to employees.

Social Security Administration
550 Government Street, Suite 100
Mobile, AL 36602
1-866-593-1922
www.ssa.gov

Alabama Income Taxes

Any business that hires employees and pays wages needs an Alabama income tax withholding number to hold and remit the taxes to the Alabama Department of Revenue. Proprietors, partners, corporate shareholders and others must report estimated earnings and pay income tax quarterly.

Alabama Department of Labor
www.labor.alabama.gov

If self-employed, contributions are made through the self-employment tax reported on the Employer’s Quarterly Federal Tax Return. FICA (Social Security) taxes are paid by both the business and the employee. All employees must have a Social Security Number.
All businesses with employees are required to comply with state and federal regulations regarding the safety and protection of employees.

In 2010, the Patient Protection and Affordable Care Act (PPACA) health care reform bill, was signed into law making sweeping changes to the U.S. health care system. Whether a business is considered small or large there are numerous communications, reporting, and documentation requirements.

Changes to the law continue to occur and you should seek expert advice from your attorney, accountant, insurance and other professionals to determine what the requirements are for your particular situation.

U.S. law requires all employers to verify the legal presence of their employees. Alabama employers may use the federal E-Verify website or businesses with 25 or fewer employees may elect to use the Alabama E-Verify Employer Agent Service.

Employers must be aware of equal employment opportunity regulations. It is illegal to discriminate against a job applicant or an employee because of the person’s race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information among other issues.
### Mobile’s Small Business Resources

Numerous free or low-cost resources, materials, workshops and seminars are available for area small businesses.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Address</th>
<th>Phone</th>
<th>Website</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama Department of Commerce Office of Small Business Advocacy</td>
<td>401 Adams Ave., Montgomery, AL 36130</td>
<td>(800) 248-0033</td>
<td><a href="http://www.alabamausa.org">www.alabamausa.org</a></td>
<td>Provides resources for small business development including regulatory or financial assistance.</td>
</tr>
<tr>
<td>Mobile Area Chamber of Commerce Small Business Development Dept.</td>
<td>451 Government St., Mobile, AL 36602</td>
<td>251-431-8607</td>
<td><a href="http://www.mobilechamber.com">www.mobilechamber.com</a></td>
<td>Assists local entrepreneurs starting, managing and growing their businesses by providing small business training seminars, workshops, educational materials, one-on-one consulting as well as referrals to local resource providers and other business experts.</td>
</tr>
<tr>
<td>U.S. Small Business Administration Southern Alabama Office</td>
<td>1141 Montlimar Dr., Suite 1007, Mobile, AL 36609</td>
<td>251-544-7401</td>
<td><a href="http://www.sba.gov">www.sba.gov</a></td>
<td>Provides financial assistance programs for small businesses specifically designed to meet key financing needs, including debt financing, surety bonds and equity financing. The SBA does not make direct loans, but provides loan guarantees to lenders to reduce risk.</td>
</tr>
<tr>
<td>Community Planning and Development Department - City of Mobile</td>
<td>205 Government St., Mobile, AL 36602</td>
<td>251-208-6292</td>
<td><a href="http://www.cityofmobile.org">www.cityofmobile.org</a></td>
<td>Provides loans utilizing Community Development Block Grant (CDBG) funds for entrepreneurs and start-up companies within the CDBG target areas.</td>
</tr>
<tr>
<td>Downtown Mobile Alliance</td>
<td>261 Dauphin St., Mobile, AL 36601</td>
<td>251-434-8498</td>
<td><a href="http://www.downtownmobile.org">www.downtownmobile.org</a></td>
<td>Operates a retail incubator for new or expanding retailers in Downtown Mobile and offers training from loss prevention to inventory control.</td>
</tr>
<tr>
<td>South Alabama Regional Planning Commission</td>
<td>110 Beauregard St., Mobile, AL 36602</td>
<td>251-433-6541</td>
<td><a href="http://www.sarpco/rlf.asp">www.sarpco/rlf.asp</a></td>
<td>Manages a Revolving Loan Fund (RLF) used to finance small business start-up and expansion projects to create permanent jobs.</td>
</tr>
<tr>
<td>South Alabama SCORE</td>
<td>327 Fairhope Ave., Fairhope, AL 36532</td>
<td>251-928-6387</td>
<td><a href="http://www.southalabamascore.org">www.southalabamascore.org</a></td>
<td>Provides small business counseling, training and mentoring for existing and potential business owners.</td>
</tr>
<tr>
<td>Alabama Small Business Development Center</td>
<td>Coastal Innovation Hub, 600 Clinic Dr., Suite 326/328, Mobile, AL 36688</td>
<td>251-460-6004</td>
<td><a href="http://www.southalabama.edu/sbdc">www.southalabama.edu/sbdc</a></td>
<td>Provides small business counseling, loan packaging assistance, international trade and procurement technical assistance for businesses wanting to do business with the government.</td>
</tr>
<tr>
<td>Women’s Business Center of South Alabama</td>
<td>413 Azalea Rd., Suite F, Mobile, AL 36609</td>
<td>251-660-2725</td>
<td><a href="http://www.wbcas.com">www.wbcas.com</a></td>
<td>Provides assistance and training in business planning and development, marketing, market research, access to capital, lending preparation and networking for seasoned and start-up businesses.</td>
</tr>
</tbody>
</table>

Updated 12/07/2016