



Inspections and Planning Department

211 North Broad Street, Suite A

P.O. Drawer 748

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Frequently Asked Questions – Business License

Who needs a business license?

Every person engaged or intending to engage in any calling, business, occupation or profession in whole or in part within the City limits of Clinton, is required to pay an annual license fee for the privilege of doing business and obtain a business license. “Business” is defined as calling, occupation, profession or activity engaged in with the object of gain, benefit or advantage, either directly or indirectly.

What is a business license?

A business license is an excise tax levied on the privilege of doing business in a particular jurisdiction. It is a method of requiring a business or occupation to contribute its share in support of the government and to regulate business. It is not a sales or income tax, although it is measured by gross income.

Why do I need a business license?

Requiring a businesses to obtain a business license provides several important benefits to the business community and the community as a whole. Business licenses protect the community by helping ensure that businesses are legitimate and operating in compliance with all City codes. It allows the City to be attuned to the local economy and understand the needs of the business community.

When do I need a business license?

Any time a person or business is:

- physically located in or
- conducts business within the City limits of Clinton

A business license is required even if no income has been generated when your business is physically located inside the City, unless your business is closed and you have submitted a closing business form.

How much does a business license cost?

The business license fee is determined by several factors, including (1) where the business is located – inside/outside City limits, (2) the type of business being conducted, and (3) the business’ gross receipts/income.

New businesses pay license fees on projected gross income from the start of business date through December 31st of current year. State law mandates that fees be paid on gross income without deductions for expense incurred for costs such as rents, salaries, cost of goods and other operational expenses.

Existing businesses must renew their business license annually. Renewal fees are based on the previous year’s gross income reported to the Internal Revenue Service. Businesses located outside the City limits of Clinton must report gross income exclusively for business conducted inside the City limits only.



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What is “gross income” or “gross receipts”?

“Gross income” means the total income of a business, received or accrued, for one calendar year collected or to be collected from business done within the City, subtracting income from business done wholly outside of the City on which a license tax is paid to some other city or a county. Gross income as defined by ordinance to mean the total received from the business operation without deductions of goods, overhead or salaries. It should conform to the gross figure reported on the business federal income tax return defined by the IRS Code Section 61(a).

- Gross income for brokers or agents means gross commissions received or retained, unless otherwise specified. Gross income for insurance companies means gross premiums collected.
- Gross income for business license tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds which are the property of a third party.

The value of bartered goods or trade-in merchandise shall be included in gross income.

The gross income for business license purposes may be verified by inspection of returns and reports filed with the Internal Revenue Service, the South Carolina Department of Revenue, the South Carolina Insurance Commission, or other government agency.

Contractors based outside the city limits of Clinton may obtain a license per job and will need to provide a copy of their contract for the job along with the business license application.

New businesses should estimate their probable gross income.

What do I have to do to get a business license?

A business license application is available online. You can also visit our office at 211 N. Broad St. Suite A and pick up an application. Before a license is issued, approvals and inspections by other divisions and state agencies may be required. The approvals required depend on the type of business and the physical location of the business. You may also need to pay a utility deposit and sign a utility service agreement if utilities are needed for your business location.

Does a business license expire?

Yes, business licenses expire April 30th of each year. You will have until April 30th to renew your license the following year to avoid a 5% late fee per month after the due date.

Non-resident businesses must renew their license prior to conducting business in the new calendar year. If you do not intend to conduct business in the City limits, please indicate this on your renewal form.

If your business is closed, you may indicate this on your renewal form by writing “CLOSED” and the date the business closed. Please sign and date the form to allow us to close your business license account in our system.

Are any businesses exempt from obtaining a business license?

Yes, some businesses are exempt from business license requirements under State and Federal law or have limitations on the amount or method of computing the tax.



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Do I have to display my business license?

Yes, the license should be displayed in a conspicuous place in the business establishment. A transient or non-resident business should carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the City. For companies with multiple vehicles, like contractors, it is recommended that each vehicle contain a copy of the license.

If I am buying a business that already has a business license, is a business license transferable?

No, the current ordinance states that business licenses are not transferable, and a transfer of ownership is considered a termination of the old business and the establishment of a new business requiring a new business license, based on the income of the old business.

Note: Utility accounts are also not transferable. A new utility account and deposit will be required for the new business.

What should I do if I sell or close my business?

You should notify the business license office in writing of the date that your business closed or was sold to another business or individual. Include the name of your business, physical location of your business, date sold or closed and the business license account number located on your printed license. Your written notification should be signed and dated.

Is there anything I need to do if my business location or activity changes during the year?

If your business moves to another location or the activity of your business changes, you should notify the business license office immediately. A change in business activity may need to comply with building code or zoning code regulations.

The current ordinance requires that a **change of address** must be reported to license official within ten (10) days after the business moves to its new location. The license will then be valid at the new address after notifying the license official in writing and complying with zoning and building codes and approval of other departments as determined by the license official. Without this written notification, the existing business license is terminated, the business will be deemed as operating without a business license, and subject the licensee to prosecution.

Do I need a separate business license for each location and for each type of business activity?

Yes, a separate license is required for each place of business and for each classification. The current ordinance states that if the gross income cannot be separate for classifications at one location, the license fee shall be computed on the combined gross income for the classification requiring the highest rate.

If I am working for someone who has a business license already, do I need a business license?

If you are not on that company's payroll with taxes deducted out of your paycheck and you receive a 1099 form instead, then you are considered self-employed and a business license is required.

How do I register the name of my business?

The City of Clinton does not register names of any businesses, but we can assist with determining whether or not anyone is presently using your potential business name within the City of Clinton. You may also contact the Secretary of State office to verify if anyone has incorporated the name you would like to use and inquire about the laws governing this issue.

For questions or more information contact one of our team members in the Inspections and Planning or Finance Divisions:

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