

Frequently Asked Questions: Vendors

Is a vendor's license the same as a sales tax permit/ID?

In Ohio, a sales tax ID number is your vendor's license number. This number is assigned when a vendor's license is purchased. This number is frequently asked for before a wholesaler will allow product to be purchased at wholesale.

Who is required to obtain a vendor's license?

There are now only two types of vendor's licenses as of September 1, 2012: County and Transient. A County Vendor's License is required for selling taxable goods or services at a fixed location of business. A Transient Vendor's License is for the sale of goods at various shows and markets throughout the state of Ohio. These licenses are used for the collection of state sales tax. Vendors who have previously obtained Service or Delivery vendor's licenses do not have to purchase new vendor's licenses, and can file their sales taxes normally. This change affects only new vendor's license purchases.

What is a taxable sale?

A taxable sale includes any transaction in which title or possession of tangible personal property or the benefit of certain services is, or will be, transferred or provided for a price. All retail sales are subject to the tax unless specifically exempted in Ohio's sales tax law.

How does a vendor's license work?

Upon the receipt of a vendor's license, the vendor is considered a trustee of the state and is responsible for collecting, reporting and paying sales tax. A vendor's license is issued from the Butler County Auditor's Office for businesses in Butler County. The Ohio Department of Taxation sends instructions for filing the sales tax returns to the applicant. All sales tax is paid directly to the Ohio Department of Taxation.

If a vendor maintains a fixed location and travels either within the same county or travels to another county for sales at fairs/trade shows/flea markets, etc., which vendor's license is required?

The vendor must obtain a County Vendor's License to report sales made at the fixed location and any sales made at temporary locations in the same county. The vendor must also obtain a Transient Vendor's License for sales made at any temporary locations in other counties.

If a vendor currently files under a Transient Vendor's License and then chooses to open a fixed location, how should the vendor proceed?

The vendor must obtain a County Vendor's License for the fixed location and cancel the Transient Vendor's License (unless they are making sales at temporary locations in other counties, in which case they'd keep both vendor's licenses).

What license is required for Internet sales?

Providing that the vendor maintains only one centralized location from which it makes sales, the vendor must obtain a County Vendor's License. However, if the vendor travels with a stock of goods to other counties, the business must also obtain a Transient Vendor's License.

If a vendor has a Service or Delivery Vendor's License must they cancel current license(s) and get a new license?

No. A vendor that already holds one or both of these license types will continue to report its sales tax under its current licenses. The elimination of these two types of licenses affects only vendors that register after September 1, 2012.

Is the \$25 cost a one-time fee or is there a renewal cost?

Both types of vendor's license cost \$25 and are good until the state cancels the license; or, ownership changes (such as changing from sole ownership to LLC); or, the business with a county-issued vendor's license relocates to another county.

What if my business moves within the county?

If a vendor moves an existing place of business to another location in the county, the vendor may either purchase a new vendor's license or submit a request to transfer the existing license to the new location. The request form may be obtained from either the Auditor's Office or the Ohio Department of Taxation.

Do I need a separate County Vendor's License for each place of business?

Yes, vendors must have one license for each fixed place of business.

What is the tax rate in Butler County?

The tax rate in Butler County is 6.50 percent.

Will I need any other licenses to conduct retail sales?

Certain types of businesses require other licenses or permits. They include, but are not limited to:

1. Motor vehicle sales – You must obtain proper permits from the Bureau of Motor Vehicles to sell new and/or used motor vehicles and to lease motor vehicles. Call 1-614-752-7637.
2. Watercraft/outboard motor sales – Before you can allow a trade-in allowance to reduce the tax base on the sale of a watercraft or outboard motor, you must be licensed as a watercraft dealer through the Ohio Department of Natural Resources, Watercraft Division. Call 1-800-448-2030.
3. Liquor sales – You must obtain the proper type of liquor permit from the Department of Commerce, Division of Liquor Control before you make sales of alcoholic beverages.
4. Food sales – You must obtain a food service operation license from the Department of Health before you can sell prepared food in a restaurant or similar facility.
5. Cigarette sales – You must obtain a cigarette license from the county auditor in the county in which cigarette sales are to be made.

Do I need a vendor's license to hold a garage sale?

In Ohio, casual sales are not subject to sales or use tax. A casual sale occurs when a person sells an item that was previously purchased for his or her personal use. For example, someone selling a table and chair set which was bought five years ago and used in their home is making a casual sale, which is not subject to sales tax. However, someone who purchases used household goods at a yard sale and a few weeks later sells them at their own yard sale is making retail sales and needs a vendor's license.

Is food taxable?

Food for human consumption off the premises where sold (food does not include alcoholic beverages, dietary supplements, soft drinks, or tobacco) is exempt from sales tax in Ohio.

What is the difference in a sales tax ID number and a federal ID number?

In Ohio, a sales tax ID number is your vendor's license number and enables the holder to remit sales tax payments to the State of Ohio. An Employer Identification Number (EIN), also known as a Federal Tax Identification Number, is used to identify a business entity and is provided by the Internal Revenue Service (IRS). Generally, businesses need an EIN. We feature a direct link to the IRS site on our vendor's license information page.

What businesses are required to register with the Ohio Secretary of State?

Any business entity, domestic or foreign, planning to transact business within Ohio, using a name other than their own personal name, must register with the Ohio Secretary of State. Business entities must file the appropriate formation documents to register their business. Sole proprietorships and general partnerships are not required to register the business entity; however, they may need to register a trade name or report the use of a fictitious name if they are doing business in a name not their own. (For example, if you are doing business under your personal name, i.e. Bob Smith, then you do not need to register, but if you are doing business under the name "Bob Smith's Automotive Shop," then the name must be registered with the Ohio Secretary of State).