

CHECKLIST:

Licenses and Permits for a Restaurant

Every new business needs to get licenses and permits—and businesses that sell food need more of them than most. Here are the licenses and permits you'll need to open a restaurant.

- Employer Identification Number (EIN):** While not technically a license or permit, this federal tax identification number is required if your business has employees—and you'll need it to apply for licenses and permits. Apply for an EIN at the [IRS website](#).
- Business License:** A business license gives your business permission to operate in its locality. Depending on your location, you may need both a state and a city business license. Visit your state and city government websites to learn more and apply.
- Building Permit:** If you're making changes to your restaurant that affect its structural integrity or its water, sewer, electrical or other mechanical systems, you'll need a building permit before starting the work. Contact your city government for more information.
- Certificate of Occupancy:** This certifies that your restaurant has been inspected by the city's zoning or building department and is safe for occupancy. The certification may also involve a fire permit issued by the local fire marshal.
- Sign Permit:** Each city has its own regulations for outdoor signage, including permissible size, materials, location and lighting of the sign. Contact your city government for details.
- Food Service License:** Businesses that store, prepare and serve food (as opposed to simply selling prepackaged food) must be inspected by both state and local health departments to ensure they're following food safety regulations. Contact your state and city health departments for information.
- Food Handler's Permit:** Each of your employees must take a food safety course and be issued their own food handler's permit. Get more information from your state and city health departments.
- Resale Permit:** Sometimes called a resale license, resale certificate or wholesale certificate, this allows you to buy products wholesale without paying sales tax, as long as you plan to resell them or use them to make something you'll sell. For example, you could use a resale permit to buy tortilla chips wholesale without paying sales tax and resell them at your restaurant. Apply for a resale permit with your state tax authority.
- Seller's Permit:** If your state and/or city requires you to collect and remit sales tax, a seller's permit (sometimes called a sales tax permit) identifies your business as authorized to collect sales tax. Apply for a seller's permit with your state tax authority.

- Liquor License:** If you want to serve alcohol in your restaurant, you'll need to get a liquor license from the local Alcohol Beverage Control Board. A full liquor license allows you to sell beer, wine and hard liquor; some states also offer a license to sell beer and wine only, which is less expensive and easier to get. Getting a liquor license approved can take quite a while; if you know you want one, start the process as soon as possible so it doesn't delay your opening.
- Music License:** If you plan to play music in your restaurant, whether live, recorded or from a streaming service, you need a Public Performance License (PPL) from a Performers Rights Organization (PRO). Fines for playing unlicensed music start at \$750 per song and can quickly add up. If you plan to have live performers who will play cover songs, you'll need to get a separate license from each of the PROs ([ASCAP](#), [BMI](#), [SESAC](#) and [GMR](#)) to play their artists' music. If you just want to play recorded music, sign up with a music streaming service designed for businesses that includes the license for all four PROs in the monthly cost.
- Live Entertainment License:** If you want to hold live events (such as live music, karaoke, singing or patrons dancing) in your restaurant, your city will need to issue an entertainment license. Contact your city government for information.
- Valet Parking Permit:** If you want to provide valet parking for your customers, your state or city may require a valet parking permit.
- Dumpster Placement Permit:** If you want to put a dumpster outside your kitchen for trash disposal, your state or city may require a permit specifying where you can place it.

Different cities, counties and municipalities have their own unique license and permitting requirements for restaurants. For example, you may need a permit to dispose of grease from your cooking process, to allow outdoor seating on the sidewalk or to install a fire alarm. Check with both state and local authorities to ensure you're aware of all license and permit requirements for your restaurant.

Once you get your licenses and permits, display them as required. Make copies and keep them in a safe place.

Some licenses and permits expire annually, while others last for a few years. Develop a system to keep track of when your permits expire so you can start the renewal process well in advance. You don't want to face a fine or have to shutter your restaurant temporarily because an essential license or permit has expired.

RESOURCES

- [List of Alcohol Beverage Control Boards by State](#)
- [List of State Retail and Food Service Codes and Regulations by State](#)

NOTES

Use this space to record the licenses and permits you've applied for, date applied for, amount paid and when the license or permit is issued.