Frequently Asked Questions

The information on this webpage has been compiled to help answer questions that prospective entrepreneurs might have about starting a business in Homer and guide you to other resources at the local and state level.

The information presented here is specific to Homer, to the Kenai Peninsula Borough, and to Alaska. For more general information about starting a small business anywhere in the U.S., we recommend reading one or more of the many books on this topic, with titles like Small Business for Dummies, The Small Business Start-Up Kit, The Complete Idiot's Guide to Starting Your Own Business, and The Small Business Owner's Manual. (We are not recommending any particular book.)

The information below is organized in a question and answer format, with questions forming the headings.
• For more information on Homer's economy and the economic goals of the community, see the Homer Comprehensive Economic Development Strategy.
• For borough-wide economic information, including data specific to Homer, see the Kenai Peninsula Borough Situations and Prospects at this site: KPB Economic Analysis.

Do I need a business license or permit?
The State of Alaska requires that a business obtain a license prior to engaging in business activity in the state. In addition, the Kenai Peninsula Borough requires that all businesses register with the borough for purposes of tax collection. The City of Homer does not have any of its own business license or registration requirements.

Alaska business license: All persons (sole proprietors, partnerships, and corporations) who engage in a business activity in Alaska must hold a business license for that activity. Business activity requiring a license in Alaska includes non-profits as well as profit operations. Businesses that sell tobacco products must have a tobacco endorsement on their business license.

A license is valid for two years, which consists of the current year in which the license is granted plus all of the next calendar year. Business licenses expire on December 31.

Professional or occupational licenses are required for many activities in addition to business licenses. As listed on the Alaska Department of Commerce website, professions requiring special licenses range from acupuncturists to veterinary examiners. The professional or occupational license must be obtained before a business license will be issued.

For more information, contact the Alaska Dept. of Commerce, Community and Economic Development (DCCED). Write or speak to a live person at:
Alaska Dept. of Commerce

Business Licensing
P.O. Box 110806
Juneau, AK 99811-0806
907-465-2550
email: businesslicense@alaska.gov

Anchorage Field Office:
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501-3567
907-269-8160

Environmental permits: Some businesses, including restaurants or any business whose activity might affect air or water quality, will need permits from the Alaska Department of Environmental Conservation. Contact DEC at http://www.dec.state.ak.us/ or 907-465-5066.

Registering your business with the Kenai Peninsula Borough. All businesses based within the Kenai Peninsula Borough (which includes Homer) must register with the Borough for purposes of tax collection. Click here for more information or see the the borough's main sales tax page.

What do I need to know about taxes?
If you sell goods or services in Homer, you will need to charge a sales tax and forward the funds to the Kenai Peninsula Borough, usually on a quarterly basis. Note: A sales tax return MUST be filed for each reporting period whether or not any sale transactions have occurred.

There is no state sales tax in Alaska. However, in Homer consumers pay a total sales tax of 7.5% (4.5% City of Homer plus 3% Kenai Peninsula Borough). There is no need to file separately. Business owners remit sales taxes to the Borough; the Borough then returns the City's share to the City of Homer.

For more information on how to collect and report sales taxes, see the KPB Sales Tax Policy Manual or contact the KPB Sales Tax Division at 907-262-4441.

How can I find suitable real estate for my business needs?
If leasing or purchasing commercial property is important or needed for your business relocations plans, the Homer area offers a wide selection.

The Alaska MLS Service provides a directory of available properties. The listing is kept up-to-date and the website has no association to any private agency. On the website, just click on Homer for a complete listing of available properties in selected categories including commercial buildings, commercial lease, and vacant land.

There are several real estate offices in Homer with personnel who know the local market. Real estate companies are listed on the Homer Chamber of Commerce website under Local Services in the Business Directory.

The City of Homer Planning Office can provide information on the types of activities that are allowed, restricted, or prohibited in different areas of town, as per zoning code. You can also view relevant zoning regulations (Section 21 of City Code) directly on the City of Homer website. To talk to someone in the Planning and Zoning Office, call 907-435-3104.

The City of Homer also leases raw land, particularly on the Homer Spit in the port and harbor area. For more information, see (PROVIDE LINK HERE) or contact the Port and Harbor Office at 907-235-3160.

What is the availability and cost of labor in Homer?
The cost of labor varies by occupation, of course. Current information on wages by occupation in Alaska can be found on the Alaska Dept. of Labor website; however, statistics specific to Homer or even the Kenai Peninsula are not available.

Average pay might provide some indication of the cost of labor. The June 2013 issue of Alaska Economic Trends (published by the Alaska Department of Labor) noted that the average worker earned $36,008 a year in Homer, compared to the overall statewide average of $48,845.

The labor pool in Homer is obviously not as large or diverse as one would find in a larger city. On the other hand, Homer is seen as a desirable place to live due to the overall quality of life here, which makes it easier to attract and retain workers. Another positive characteristic of the labor pool is that average educational attainment in Homer is significantly higher than the national average, as documented in the 2010 census.

Unemployment in Alaska is currently lower than in the Lower 48 states. The most recent figures published by the Alaska Department of Labor found that the unemployment rate in the Kenai Peninsula Borough in July 2010 was 7.9%, compared to 8.3% a year earlier. The comparable national rate was 9.5%.

Does Homer have high-speed Internet/broadband service?
Yes. Two statewide companies, ACS and GCI, provide high-speed Internet service with speeds ranging from dial-up (56K) up to high-speed DSL (10 mbps and up) everywhere within Homer city limits and in many areas outside city limits. Wireless Internet is also available through three independent companies in Homer: Homer Wi-Fi, SpitWSpots, and Horizon Satellite. Speeds start at 256K and go up to 6 mbps depending on the carrier.

If I need to travel for business or ship goods to and from Homer, what are my options?
Unlike the majority of communities in Alaska, Homer is on the North American road system, meaning you can drive from here to Anchorage and on to Miami if you wish. However, it would be much faster to fly.

Homer has a small airport with flights to Anchorage leaving approximately 10 times a day. For more information on schedules and fares, contact Era Aviation (www.flyera.com).

In Anchorage, the Ted Stevens International Airport is served by major carriers including Alaska Airlines, Delta, Northwest, and many others, including foreign-based. (Anchorage is known as the “air crossroads of the world.”)

Mail service to and from Homer is provided by the U.S. Postal Service, Federal Express, DHL, and UPS. Shipping large items can be accomplished through companies such as Lynden Transport and Totem Ocean Trailer Express.

Homer is also connected to other areas of the state and to Canada and the Lower 48 via the Alaska Marine Highway System (ocean ferries). Ferry service is not generally used for business purposes but if you are moving to Alaska you might consider this option to move your family and vehicle. For more information, see www.dot.state.ak.us/amhs.

What resources are available in Homer to assist would-be entrepreneurs and small business owners?
The Small Business Development Center, housed within the Chamber of Commerce visitor information center, provides free consulting services and low-cost educational programs to entrepreneurs. One-to-one sessions cover areas of management, marketing, sales, finance, accounting, and other disciplines required for small business growth, expansion, and innovation.

The Kenai Peninsula Borough Economic Development District includes Homer in its area of operations. The EDD provides technical assistance as well as small loans to qualifying businesses.

The Homer Public Library offers books and other materials relevant for small business development in its collection. Link here for more information.

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http://www.cityofhomer-ak.gov/economicdevelopment/frequently-asked-questions