

NAICS Codes

(NAICS) stands for the North American Industry Classification System. The system is a multi-national attempt to classify enterprises by their intended economic activity.

(LOB or LOW) stands for Line of Business or Line of Work. It refers to the first two digits of the NAICS code and designates the category heading for the economic activity that an enterprise is in. As an example, NAICS code 238140 is for Masonry Contractors. The first two digits, 23, is the Line of Business code for construction.

Basic NAICS Code Information:

You will be required to choose a full six-digit NAICS code and your printed business license will only show the two-digit line of business (LOB) code. The full six-digit NAICS code will appear when the license is viewed online.

- This is important because while you may be licensed for 451211 (Book Stores) you are technically also licensed for 448219 (Shoe Stores). In other words, closely related NAICS codes may be under the same LOB, and if so, you may be licensed for both activities with the one license.
- If any business activity requires a professional license, then these activities must be listed as the **primary** and (if applicable) **secondary** Alaska NAICS codes on the business license application. In addition, the current and valid professional license number must be provided.

Why would I ever get two business licenses?

If you provide products or services that are quite different, it may be that they would not be covered under the same LOB. For instance, say you have a Chiropractic office that also sells vitamins. Most likely you would be licensed under your primary activity 621310 (Offices of Chiropractors). The NAICS code for Vitamin Stores is 446191. In this example, you would not be covered for both activities because they fall under different LOBs. Alaska Statutes require you to have a license for each LOB you operate in. Until recently, this meant you would have to buy a second business license. Thankfully, in 2014 the Legislature passed HB 32 amending AS 43.70.020(a) to allow for one license to cover multiple lines of business. Now the Chiropractor above can easily list both LOBs on one license.

How do I find my LOB/LOW?

Go to <https://www.census.gov/eos/www/naics/>. This link will direct you to the US Census Bureau's NAICS search engine. Enter the type of business you are doing and choose from the list that comes up. You will want to look through the list of NAICS codes that come up as some keywords may cover several lines of business. As an example, looking up "Shirts" brings up a list of several dozen potential NAICS codes including manufacturing of shirts, wholesale, and retail shirt stores. Be careful to select the NAICS code that *most closely* represents the activity you are looking to do.

***NOTE:** The State of Alaska uses the NAICS codes from 2007. Make sure you select the correct search box, or you might find the wrong NAICS code.



Once you have found your NAICS code, compare it to the actual lists of NAICS codes the State of Alaska uses. That list can be found at https://www.commerce.alaska.gov/web/portals/5/pub/BUS_NAICS_Codes.pdf. Look up the NAICS code you found in the first step to verify it is applicable in the State of Alaska. Repeat this step if you have more than one LOB.

***NOTE:** Business owners should always get their professional license first, before obtaining a business license. When looking through the PDF, if the NAICS code you have selected is **bolded** it may require a professional license. Before moving forward with the registration, view the list of professions that require professional licensure at <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing.aspx>.

More information can be found at the following links:

As always, it is recommended that you verify all information with your legal professional.

- Alaska Division of Corporations, Business and Professional Licensing:
<https://www.commerce.alaska.gov/web/cbpl>
- Business Licensing Statutes and Regulations:
<https://www.commerce.alaska.gov/web/portals/5/pub/BusinessLicenseStatutes.pdf>
- Information on starting a business in Alaska:
<https://www.commerce.alaska.gov/web/portals/5/pub/EstablishingABusiness.pdf>
- <https://www.commerce.alaska.gov/web/cbpl/BusinessLicensing/AKLOBandNAICS.aspx>
- naics.com
- <https://www.naics.com/search/>
- Division of Corporations, Business, and Professional Licensing contact information:
 - **Email:** businesslicense@alaska.gov
 - **Phone:** (907) 269-8160 (Anchorage) and (907) 465-2550 (Juneau)