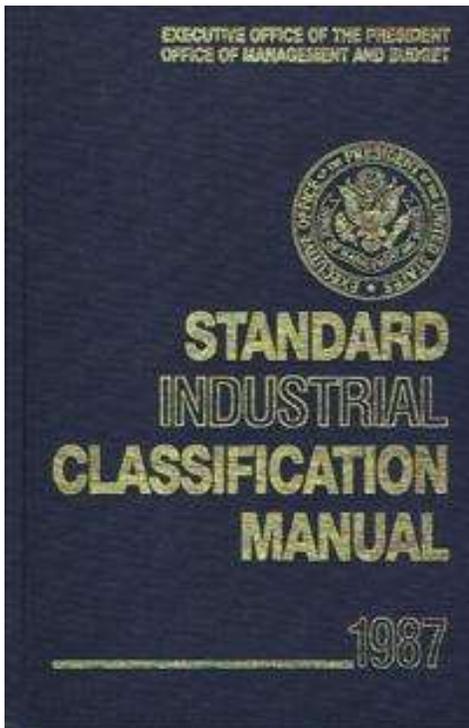


# Selecting a Standard Industrial Classification (SIC) Code

for  
Industrial and Commercial Businesses



## What is a Standard Industrial Classification (SIC) Code?

The SIC is a system for categorizing establishments using a four-digit code. It is applicable to all business types and is self-selected when you apply for a Business License with the City. It is important to select the appropriate SIC Code(s) for your business because the SIC code(s) may affect the stormwater permit coverage status of your facility/facilities.

The SIC system is broken down into ten divisions:

- A: Agriculture, Forestry, and Fishing (Codes 01XX-09XX)
- B: Mining and Oil & Gas Operations (Codes 10XX-14XX)
- C: Construction (Codes 15XX-17XX)
- D: Manufacturing (Codes 20XX-39XX)
- E: Transportation, Communications, Electric, Gas, and Sanitary Services (Codes 40XX-49XX)
- F: Wholesale Trade (Codes 50XX-51XX)
- G: Retail Trade (Codes 52XX-59XX)
- H: Finance, Insurance, and Real Estate (Codes 60XX-67XX)
- I: Services (Codes 70XX-89XX)
- J: Administration (Codes 91XX-99XX)

**Attachment A of the California Industrial General Permit (IGP) specifies which of these SIC Codes requires IGP coverage.** See Resources section for link to Attachment A.

## How is my SIC code used?

To comply with their Municipal Stormwater Permit, the City of El Segundo uses your business' SIC Code to determine:

- If your business has a regulated SIC Code under the IGP;
- What type of stormwater inspection to conduct at your facility; and
- If a recommendation to seek IGP Coverage should be made to your facility either at the time of inspection or during business license application filing.

## Resources

Attachment A of the California IGP:

[https://www.waterboards.ca.gov/water\\_issues/programs/stormwater/docs/industrial/2014indgenpermit/atta.pdf](https://www.waterboards.ca.gov/water_issues/programs/stormwater/docs/industrial/2014indgenpermit/atta.pdf)

List of SIC Codes Regulated Under the IGP (in alphabetical order):

[https://www.waterboards.ca.gov/water\\_issues/programs/stormwater/sic.shtml](https://www.waterboards.ca.gov/water_issues/programs/stormwater/sic.shtml)

Occupational Safety and Health Administration (OSHA) SIC Manual Online:

[www.osha.gov/pls/imis/sic\\_manual.html](http://www.osha.gov/pls/imis/sic_manual.html)

NPDES Industrial General Permit:

[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2014/wqo2014\\_0057\\_dwq\\_rev\\_mar2015.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2014/wqo2014_0057_dwq_rev_mar2015.pdf)

Frequently asked Questions on the IGP in SMARTS:

[www.waterboards.ca.gov/water\\_issues/programs/stormwater/docs/dischargers\\_guide\\_SMARTS\\_faqs.pdf](http://www.waterboards.ca.gov/water_issues/programs/stormwater/docs/dischargers_guide_SMARTS_faqs.pdf)

## Stormwater Regulations

The National Pollutant Discharge Elimination System (NPDES) permit program was created under the Clean Water Act to regulate pollutant discharges. There are three general stormwater permits: Municipal, Industrial, and Construction.

### **Municipal Stormwater Permit**

The City of El Segundo is a Permittee under the Los Angeles Municipal Separate Storm Sewer System (MS4) Permit. To comply with the Municipal Stormwater Permit, the City must track, educate, inspect, and verify compliance with municipal ordinances at industrial and commercial businesses.



### **Industrial General Permit (IGP)**

Facilities with outdoor activities/storage may require coverage under the Industrial General Permit. Coverage is required if a facility has a regulated Standard Industrial Classification (SIC Code): [www.swrcb.ca.gov/water\\_issues/programs/stormwater/sicnum.shtml](http://www.swrcb.ca.gov/water_issues/programs/stormwater/sicnum.shtml)

Information about the IGP and how to apply for coverage is available on the State Water Resources Control Board website: [www.waterboards.ca.gov/water\\_issues/programs/stormwater/industrial.shtml](http://www.waterboards.ca.gov/water_issues/programs/stormwater/industrial.shtml)

## Key SIC Code Definitions

**Manufacturing**: establishments primarily engaged in the mechanical or chemical transformation of materials or substances into new products.

**Wholesale Trade**: establishments primarily engaged in selling merchandise to retailers or to other wholesalers.

**Retail Trade**: establishments primarily engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods.

**Warehousing**: establishments furnishing local or long-distance trucking or transfer services, or those engaged in the storage of farm products, furniture, and other household goods.

**NOTE**: Warehousing of an establishment's own materials is considered an "auxiliary" business function and is not regulated under the IGP unless it is closely associated with the facility's primary industrial activity (i.e., is located at the same physical location).

## Common Mistakes

Businesses often perform multiple functions. The SIC Code you select should be based on your primary business function or the activity that generates the highest revenue for your company in a given year. It is important to select the code that most closely aligns with your primary business function so that your facility is correctly classified by the City.

### **Warehousing vs. Wholesale Trade**

Both of these business types store goods as their primary business activity. However, the main distinction is made by determining who owns the goods that are being stored.

- Generally, if the company that is storing the goods owns them and is selling those goods to others as their primary business function, they are considered a **Wholesale Trade** facility.
- If the company that is storing the goods does not own them and is simply providing a goods storage and transportation service as their primary business function, they are considered a **Warehousing** facility.

### **Manufacturing vs. Wholesale Trade**

- Facilities that produce new items using raw materials and industrial processes are **Manufacturing** facilities.
- Facilities that purchase manufactured goods and store the goods with the intent to sell them to their customers are considered **Wholesale Trade** facilities.