

The Legal Way with Kae

start here

First things, first. Choosing a unique and legally strong business name is **recommended** (1) to ensure a small business owner is not at risk of infringing another's trademark and (2) to avoid a costly and unexpected re-brand down the road.

Choose a Strong Business Name

Register Your Business with the State

A small business owner that hasn't registered their business is considered a "sole proprietor". Many states **require** certain sole proprietors to register a "D/B/A" with their state's Secretary of State office.

Note: Sole proprietors are fully responsible for the debts & liability of their business, it is often **recommended** to register as LLC or corporation to limit their personal liability.

Sole proprietors and owners of single-member LLC's are generally **required** to use the following forms to file Federal taxes: Form 1040, Schedule C, Schedule SE, & Schedule ES

It is **recommended** that you track and deduct eligible business expenses from your taxable business income. Costs qualify as deductions if they're "ordinary and necessary" in your trade or business.

Track Business Expenses & File Tax Returns

## Small Biz Legal Roadmap

Obtain Your FEIN & Open a Business Bank Account

Next, many small business owners file with the IRS to obtain their Federal EIN number.

Although optional for many early-stage small business owners, an EIN is **recommended** so that you may open a business bank account, apply for credit in the name of the business, obtain licenses/permits, and hire employees.

lawyer Kae

For sellers of tangible property (& some services), confirm with your state's department of revenue whether you are **required** to obtain a state Tax ID (sometimes called a seller's permit, or certificate of authority).

Note: Every local jurisdiction is different on these requirements, so don't be afraid to call the department in charge of state sales tax to ask for help!

Obtain Your State Sales Tax ID

Obtain Required Business Permits & Licenses

Once registered with their state, a business owner must determine if an operating license (sometimes called a "permit" or "certificate") is **required** in order to run the business.

Verify whether a license/permit is required by either (1) your **specific industry** regulations; and/or (2) your **specific city & county** clerk rules.

Note: Every local jurisdiction is different on these requirements, so don't be afraid to call the county clerk to ask for help!

# Legal Roadmap

This basic legal roadmap includes general information for small business owners in the U.S. This list is not exhaustive.

Keep in mind, your specific requirements may vary based on what type of business you have, where you are located, and how much revenue your business generates.

FEIN Application: <https://sa.www4.irs.gov/modiein/individual/index.jsp>

State by State Business License Help: <https://www.nav.com/blog/266-business-licensing-by-state-5008/>

[www.startupheartup.com/legal](http://www.startupheartup.com/legal)