

# Starting a Business

This page contains general information for starting a business here in Hornell. Use this as a reference guide for general business requirements but not as legal or financial advice. Filing fees and tax information are current as the date of this publication, but you should verify them to prior to finalizing your business plans. We suggest you discuss your business plans with an attorney and or an accountant.



## State Licenses or Permits

Some businesses require specific New York State permits. The Governor's Office of Regulatory Reform (GORR) GORR defines a permit as any required license, registration, or similar for of authorization required by New York State. Examples of businesses requiring a permit are: motor vehicle repair shops, beauty salons, food establishments, real estate sales, and any child day care centers. For Assistance in identifying New York State permit requirements, contact:

### Governor's Office of Regulatory Reform

Permit Assistance Unit

Po Box 2107

Albany, New York 12220-0107

1-800-342-3464 or 518-474-8275

[www.gorr.state.ny.us](http://www.gorr.state.ny.us)

**Email:** [permits@gorr.state.ny.us](mailto:permits@gorr.state.ny.us)

**Permit Database:** [www.nys-opal.com](http://www.nys-opal.com)

## Local Permits

A person contemplating starting a business should be aware of the local laws. It is important to contact the village, town or city and country clerk where the business plans to locate. Examples of local considerations are zoning, parking, sign regulations, and certain occupational licenses such as auctioneers, electricians and plumbers. It is advisable to contact your local government first.

## Legal Structure

The most common forms of business organizations are: Sole proprietor, partnership, limited liability company, and corporation. If you plan to conduct business under a name other than your own, you must register the name. Keep in mind that registering is NOT permission to conduct business. The following is a brief outline of the most common business structures



**Sole Proprietorship:** The simplest form of a business structure owned by one individual is a sole proprietorship. All business responsibilities and decisions are those of the single owner. The owner of a sole proprietorship has unlimited liability for the business.

**Form:** Certificate of Conducting Business as a Sole Proprietor. Purchase this form from a legal stationery store in New York or thru Blumberg Forms at 1-800-529-6278 or thru the company website at [www.blumberglegalforms.com](http://www.blumberglegalforms.com). Complete and notarize the form and then file it with the county clerk in each county the business is located. You usually need three copies: the original for the county clerk, one for the bank, and one for the business

**Fee:** \$25 plus \$4-\$5 for each certified copy. (The filing fee in the five counties comprising New York City is \$100; certified copies \$10)

**Partnership:** A partnership is the relationship between two or more persons or companies that carry on a trade or business together. In the Absence of a partnership agreement, the NYS Partnership Law sets forth the right and the duties of the partners.

**Form:** Certificate of Conducting Business as Partners. Purchase this form from a legal stationery store in New York or thru Blumberg Forms at 1-800-529-6278 or thru the company website at [www.blumberglegalforms.com](http://www.blumberglegalforms.com). Complete and notarize the form and then file it with the county clerk in each county the business is located. You usually need three copies: the original for the county clerk, one for the bank, and one for the business

**Fee:** \$25 plus \$4-\$5 for each certified copy. (The filing fee in the five counties comprising New York City is \$100; certified copies \$10)

**Limited Partnership:** The NYS Department of State requires the filing of a certificate. Limited partnerships must publish a notice in two newspapers in the county where the business is located each week for six successive weeks specifying the details of the limited partnership within 120 days after filing. The filing fee for a limited partnership is \$200 (See Corporations for contact information)

**Limited Liability Company:** A Limited Liability Company is an unincorporated business organization of one or more persons having limited liability for the contractual obligations and other liabilities of the business, other than a partnership or trust.

**Form:** The NYS Department of State requires the Filing of Articles of Organization.(See Corporations for contact information) An LLC must publish a notice in two newspapers in the country where the business is located each week for six successive weeks specifying the details of the limited liability company within 120 days after filing.

**Tax Information:** The NYS Department of Taxation and Finance's Publication 16, "New York Tax Status of Limited Liability Companies and Limited Liability Partnerships," explains tax requirements for annual filing fees and how to confirm to New York personal income tax and corporation franchise tax. This publication is available online. Refer to "Tax Information" section for additional requirements and contact information



**Corporations:** A New York State Corporation is a entity separate and distinct from the individual(s) who own and manage the business. A corporation can sell, buy and inherit property in its own name and is legally endowed with rights, powers, and duties in the conduct of lawful activities. Business corporations operate for profit and can raise capital by selling shares of interest in the corporation. A corporation's debts and obligation are distinctly its own.

**Form:** Certificate of Incorporation. Obtain this form from the NYS Department of State, purchase it from a legal stationary store, have it prepared by an attorney, or apply online at [www.nys-opal.com](http://www.nys-opal.com)

**Fees:** \$5 for each name search, \$20 for reservation of name, \$125 for Certificate of Incorporation, and a minimum of \$10 to cover stock issuance

**Tax information:** Corporations must file a franchise tax report and pay a franchise tax for all part of each calendar/fiscal year the corporation exists. They must file federal tax returns. Refer to this website's "Tax Information" link for contact information.

**S Corporation:** under Section 1362 of the Internal Revenue Code, certain small business corporations may report income on personal tax returns. Individual shareholders who wish to obtain this option must file federal Form 2553. Once the Internal Revenue Service grants approval, you must file Election Form CT-6 with the NYS Department of Taxation and Finance.

**Not for Profit Corporation:** Not-For-Profit corporations cannot distribute assets, income and profits to the benefit members, directors or officers except to the extent permitted by statute. The filing fee is \$75 with the NYS Department of State. You must obtain approval from the Internal Revenue Service before requesting approval from the NYS Department of Taxation and Finance.

**Foreign Corporation:** The NYS Department of state authorizes an out-of-state corporation to conduct business in New York. The Basic filing fee is \$225 and a certificate of existence or good standing is always required from the jurisdiction that originally organized the corporation.

**For information contact:**

NYS Department of State, Division of Corporations

41 State Street, Albany, NY 12231-0001

(518)473-2492

[www.dos.state.ny.us](http://www.dos.state.ny.us)

**Tax Information:** The NYS Department of Taxation and Finance's Publication 20, "New York State Tax Guide for New Businesses," provides basic information about New York Tax Law and regulations. This publication outlines the procedures to follow and forms to file with the NYS Department of Taxation and Finance to fulfill your tax obligations.

**Sales and Use Taxes:** If your business will sell tangible personal property or provide specific services in New York, the business is required to collect and remit NYS sales and local tax to the NYS Department of Taxation and Finance, usually on a quarterly basis. Publication 750, "A Guide to Sales Tax in New York State" has information regarding your obligations and how to obtain a "Certificate of Authority" The NYS Department of Taxation and Finance recommends filing for authority at least 20 days before providing taxable sales or services. You can apply online for a Certificate of Authority at: [www.nys-opal.com](http://www.nys-opal.com)

**For information contact:**

NYS Department of Taxation & Finance  
Sales Tax Registration  
W. Averill Harriman Campus, Albany NY 12227

**Forms:** 1-800-462-8100 or (518)485-6800

**Information:** 1-800-225-5829 or (518)485-6800

**Nationwide:** 1-800-972-1233

[www.tax.state.ny.us](http://www.tax.state.ny.us)

**Federal Tax Information:** For federal tax requirements contact the Internal Revenue Service for "The Small Business Resource Guide". This guide contains information on your federal tax obligations such as estimated taxes and self-improvement tax, as well as various publications for starting a business. Refer to the "Federal Identification Number" section for contact information

**Federal (Employer) Identification Number:** An Employer Identification Number (EIN), also known as a federal tax identification number, identifies a business entity. Generally, all businesses need a federal tax identification number. An EIN is a nine-digit number that the Internal Revenue Service assigns to a business. The IRS uses the number to identify taxpayers that are required to file various business tax returns such as those for alcohol, tobacco, or firearms. Employers sole proprietorships, partnerships, limited liability companies, and corporations (including "S" corporations and not-for-profit organizations) as well as other business entities use EINs.

**Form:** SS-4 Application for Employer Identification Number

**For Information contact:**

Internal Revenue Service  
1-800-829-1040 or 1-800-829-4933

[www.irs.gov](http://www.irs.gov)

**To apply online:** [www.irs.gov/businesses/small](http://www.irs.gov/businesses/small)

**Employer Responsibilities:**

The Federal government requires all employers to have their employees fill out a Form I-9 and Form W-4. Federal employment taxes required are: Federal Income Tax Withholdings, Social Security and Medicare Taxes (FICA), and Federal Unemployment Tax (FUTA) The IRS' Publication 15, "Circular E, Employer's Tax Guide" explains Federal Tax responsibilities as an employer.

**Form I-9:** Employment Eligibility Verification. Obtain this form from the U.S. Citizenship and Immigration Services at 1-800-357-2099 or [www.uscis.gov](http://www.uscis.gov)

**Form W-4:** Employee's Withholding Allowance Certificate. Obtain this form from the Internal Revenue Service. Call Forms/Publications at 1-800-829-3676 or information: 1-800 829-1040 or visit: [www.irs.gov](http://www.irs.gov)

**New York State requires all employers to provide:** Unemployment, Workers' Compensation, and Disability insurances as well as compliance with wage reporting and withholding tax requirements. The NYS Department of Taxation and Finance's Publication NYS-50, "Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax," explains NYS tax responsibilities as an employer.

**Unemployment Insurance:** An employer who begins hiring employees to work in New York State is required to notify the NYS Department of Labor promptly to determine their appropriate tax status. Conditions for liability differ among not-for-profits, government, household/domestic, agricultural, and all other employees.

**For information Contact:**

NYS Department of Labor  
Unemployment Insurance Division  
State Campus, Building 12, Albany, NY 12240  
[www.labor.state.ny.us](http://www.labor.state.ny.us)

**To apply online:** [www.nys-opal.com](http://www.nys-opal.com)

**Workers' Compensation Insurance:** Provides protection to the employer from liability in the event of an on-the-job injury resulting in employee disability or death and to provide monetary relief and medical benefits to the injured worker. This insurance is available through a private insurance carrier or the New York State Insurance Fund at 1-866-697-4332 or [www.nysif.com](http://www.nysif.com)

**Note:** Workers' Compensation is also available to sole proprietors or partners who have no employees.

**Disability Insurance:** Provides for the payment of cash benefits to employees who become disabled because of injuries or sickness that have no connection to their employment, and for disabilities arising from pregnancies. Employers and employees may pay for this insurance jointly or solely by the employer. This insurance is available through a private insurance carrier or the New York State Insurance Fund at 1-866-697-4332. You can also apply online at: [www.nysif.com](http://www.nysif.com)

**Other Sources of Help for Businesses**

Empire State Development  
Business Assistance Hotline: 1-800-782-8369  
[www.empire.state.ny.us](http://www.empire.state.ny.us)

**New York State Small Business Development Center**  
1-800-732-7232 (SBDC) [www.nyssbdc.org](http://www.nyssbdc.org)

\*\*This page design came from the publication of "Starting a Business" Issued by the New York State Governor's office of Regulatory Reform, brought to you by Hornell Partners for Growth, "Serving our community is our main Goal".

