

Steps to Register a Business

STEP 1. Obtain a copy of *Colorado Business Resource Guide*.

This is a comprehensive guide to all aspects of starting a business in Colorado.

Available **online** at: www.coloradosbc.org

The online version has links to many state departments such as the Department of Revenue, Division of Insurance, Secretary of State, etc. as well as downloadable forms,

It is also available in a print form from:

South Metro Denver SBDC, Chamber Center 6840 S. University Blvd, Centennial, CO

STEP 2. Determine the appropriate legal structure.

Before registering your business in Colorado, determine the appropriate legal structure for your business.

The information

*in the **Colorado Business Resource Guide** will assist you in determining this; however, the advice from both a small business attorney and a C.P.A. is recommended in deciding which legal structure is most appropriate for your business.*

STEP 3. Obtain your federal tax identification number.

Once you have determined the legal structure of your business, you will need a federal tax identification number for your business.

***Even if you are a sole proprietor with no employees, it is recommended that you apply for a federal tax Identification number to protect yourself against identity theft.*

***If you are a sole proprietor with employees, or a partnership, corporation or limited liability company, then you must obtain a Federal Employer Identification Number (FEIN) which is the federal tax identification number (SS-4 Form) for your business.*

The FEIN is necessary to establish social security (FICA), federal withholding and federal unemployment (FUTA) accounts.

To obtain your Federal Tax Identification Number, complete the SS-4 Form which is available from the IRS 1-800-829-4933

STEP 4. Complete a business name search

Trade Name Registration

Registering a Trade Name in Colorado can only be done on line at the Secretary of State's website.

- a. Go to www.sos.state.co.us
- b. Select "Business Center" (Search the business data base first to determine if your trade name is available)
- c. Under Business Information column select "file a Document"
- d. Select "create a new Document"
- e. Select "Trade Name" under the "Register a..." header.
- f. Select the appropriate type of trade name to file

Secretary of State, 303-894-2251, 1560 Broadway, Suite 200, Denver, CO 80202, www.sos.state.co.us

***If your business will have sales of tangible property and/or employees, you will need to complete the Colorado Business Registration form (CR100) for a sales tax license and/or state wage withholding and state unemployment insurance accounts should you have employees. For sales tax workshop dates and times go to www.revenue.co.us/publiceducation.htm The form can also be downloaded from the Colorado Department of Revenue's web site at www.revenue.state.co.us.*

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STEP 5. Register/file your business with the appropriate state and /or federal agencies, (This will vary depending upon the legal structure of your business). *Small Business Development Centers can*

assist you. A generic business license is not required by the state; however local governments may require a general business license.

Sales tax license

Businesses that sell products to the end users are required to collect sales tax. The total amount of sales tax to be collected includes 2.9% Colorado state sales tax plus local taxes which vary greatly. The total amount of tax to be collected is determined by adding together all state, regional and local taxes that apply to a specific locale. This includes mail order items sold within Colorado.

To obtain a state sales tax license go to the Colorado Department of Revenue website at www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=busregforms "Business Registration Form" "Sales Tax – Registration" form, CR0100, and Sales and Use Tax Reference Guide, form DRP 0099:
. Refer to the **Colorado Business Resource Guide** for information on trademarks, patents and copyrights.
. This form is also your application for a state sales tax license and will open your state wage withholding and state unemployment insurance accounts should you have employees.

If you will have sales, you also need to contact the individual cities and or counties you plan to do business in and obtain their sales tax license applications.

If you will have employees, you will also need to establish social security (FICA), federal withholding unemployment (FUTA) accounts. Refer to the Employer Responsibilities section of the **Colorado Business Resource Guide** for additional details on this and other employer (FUTA) requirements such as I-9 (immigration compliance), etc.

STEP 6. Determine if there are any special licenses or governmental regulations required

for your type of business. Go to www.state.co.us/oed and click on "Occupational/Industry Licensing database for information on federal, state, and local business licensing.

STEP 7 Understand your income tax and self-employment tax liability

in more detail by going to the IRS website at www.irs.gov/smallbiz. Consult the free IRS CD the annual Small Business Resource Guide: What you need to know about taxes and other topics"

Please Note!

Be sure to refer to the **Business Information Sources** by clicking on Resources Links on our website, www.smallbusinessdenver.com for additional information on starting a business.