



### **Checklist of Requirements for Most New Businesses**

Select the legal form for the business (sole proprietorship, corporation, partnership, or limited liability company).

**For Sole Proprietorship:** File or register a trade name with the office of the clerk of superior court of the county where the business is located.

Apply for any trade name registration, fictitious name registration, trademarks, copyrights, or patents necessary to protect your assets.

Apply for city and/or county business license at city hall, county courthouse or administration building in the county where the business is going to be located.

Upon verification of business name status, it is a good idea to open a business checking account at a local bank. (The bank will need a copy of business license)

Apply for federal employer identification number (*Form SS-4*). Corporations, partnerships and sole proprietorships with employees must apply for this number. Contact local IRS office or call 1-800-829-3676.

Apply for Georgia Sales and Use Tax identification number "State Tax Registration Application" (*Form CRF 002*) with the Georgia Department of Revenue. – IF APPLICABLE

For businesses with or anticipating having employees, apply for Georgia Income Tax withholding identification number (*Form CRF 002*).

For businesses with employees, apply for Georgia unemployment number (*Form DOL-1*) with the Georgia Department of Labor.

Self-employed individuals operating sole proprietorships should make quarterly individual estimated tax payments to the Georgia Department of Revenue (*Form 500ES*) and to the IRS (*Form 1040-ES*). Year's end, file *1040* plus *Schedule C* (Profit/loss from business).

Contact an insurance broker to obtain fire and accident, liability, theft and other types of commercial insurance needed to operate the business and workers' compensation insurance.

Contact an accountant and provide him/her with all of the basic business information so that the initial books may be opened in a timely and orderly manner.

#### **AFTER you start...**

Make estimated income tax payments and file tax returns for both state and federal taxes. If you have employees, comply with all state and federal requirements for withholding and payment of payroll taxes.

Comply with all Georgia sales and use tax regulations if applicable.

Determine your obligation to pay local property taxes.

### **Additional Information for Partnerships**

If operating as a general partnership, it is a good idea to develop a General Partnership Agreement to specify the details of how the partnership will work.

If operating as a limited partnership, prepare and file a *Certificate of Limited Partnership* with the Secretary of State.

File a state partnership return with the Georgia Department of Revenue each year on or before April 15 or on or before the 15<sup>th</sup> day of the 4<sup>th</sup> month following the close of the fiscal year (*Form 700*).

File *Form 1065* with IRS reporting partnership income. Each partner reports his/her share of self-employment income of *Schedule SE of Form 1040* and income or loss from partnership operations on *Schedule E of Form 1040*.

### **Additional Requirements for New Corporations**

Contact the Secretary of State's office (Atlanta 404/656-2817) and order a name reservation certificate. (This is not mandatory but is a good practice.) *Secure registered name before fulfilling other requirements.*

Prepare and file with the Secretary of State the articles of incorporation with certificate indicating that publication of the notice of incorporation has been made and the requisite advertising fees have been made. The services of an attorney are recommended.

Prepare consent for appointment of registered agent. (Not required, but is a good practice.)

Arrange for the advertising of the incorporation for two successive weeks with the local newspaper designated to handle legal advertisements.

Prepare a consent action form or hold a meeting of the shareholders to elect directors of the corporation.

Prepare bylaws to be adopted at the organizational meeting of the board of directors, which shall also include the election of officers.

Accept share subscription agreements and investment letters exempting the stock from state and federal securities laws.

Complete secretary of state's annual registration.

Complete the initial Georgia license and occupation tax return (*Form 600*), and pay the initial tax based on the capital stock issued.

Complete bank corporate resolution forms and signature cards necessary to establish a corporate checking account.

Accept payment for stock from the shareholders and issue certificates. The shareholders should execute receipts for the certificates.

Complete stockholder's information in corporate minute book and stock ledger.

Consider election of S corporation status (*IRS Form 2552*) or taking steps to ensure that stock issued will qualify as section 1244 stock under Internal Revenue Code Section 1244.

Consider adopting a cross-purchase or stock redemption agreement, and in turn, place a legend on the stock certificates restricting the sale, assignability or transferability of stock.

File federal income tax return *Form 1120* (*Form 1120-S* for an S Corporation).

Deposit federal taxes and accompanying coupons in authorized bank.