

LICENSES/PERMITS/LEGAL FORMATION FOR STARTING A BUSINESS

(Charlotte/Mecklenburg, NC)

- 1) Call the State of North Carolina's **Business Link North Carolina** (1-800-228-8443), to verify any state **licensing/sublicensing** requirements for your type of business. Or go online at <http://www.blnc.gov/start-your-business/business-licenses-permits>
- 2) If you have chosen a specific **location** for your business, or if you are planning a home-based business, call the **Zoning Department** (311 or 704-336-7600) to make sure you conform with zoning regulations for that site.
 - A. If you are planning to sell **food items**, you need to contact the **Environmental Health Department** to get a "heads-up" on any/all food-sales compliance regulations (311 or 704-336-7600).
 - B. If you plan to sell **alcohol**, first you need to apply for an **Alcoholic Beverage Control Permit** from the **State of North Carolina** (1-919-779-0700), <http://abc.nc.gov/permits/default.aspx>. Then, show your state ABC Permit to the **Mecklenburg County Business Tax Collections Office** in order to get a *local Beer & Wine License*, (311 or 704-336-7600), <http://charmeck.org/mecklenburg/county/TaxCollections/BusinessTaxes/Pages/BeerWineLicense.aspx>
 - C. Painters, Pressure Washing, Mobile Auto Detailing, Car Washing, Carpet Cleaning, Restoration, Lawn Care, Pushcarts/Mobile Kiosks, and Carnivals/Fairs all need to contact the North Carolina Environmental Health Services (919-707-5854) <http://ehs.ncpublichealth.com>.
- 3) You now need to decide on your **legal formation**:
Options:
 - (A) Sole Proprietorship
 - (B) Partnership
 - (C) Corporation
 - (D) Limited Liability Company ("LLC")
 - (E) Limited Liability Partnership ("LLP")
- 4) You now need to **register** your business, to give it a "legal life":

For (A) or (B) **in #3 above (Sole Proprietorship or a Partnership)**, you must go in person and register same with the **Register of Deeds, 720 E. 4th St. Suite 102, Charlotte, 28202**, (704-336-2443).

You will be asked to:

- (a) research the name of your company;
- (b) fill out a "Certificate of Assumed Name", print and fill out before you go to the Register of Deeds <http://www.blnc.gov/start-your-business/business-forms> ;
- (c) get your signature notarized;
- (d) pay a fee, see current fees at <http://meckrod.manatron.com/localization/asninfo.htm>

For (C) above (**Corporation**), it must be chartered by NC's Secretary of State. Go to their website: www.sosnc.com , Under "Guidelines" click on "Incorporating Your Business in North Carolina," for a overall guidance. Next click on "Print Forms; fill the application out and file ("do it yourself!)." If needed you may contact the Corporations Division at corpinfo@sosnc.com. Next, *after* receipt of approval by the Secretary of State, for those wishing to be treated as an "**S-Corporation**", you should go to www.irs.gov , click on "Forms and Pubs" and search for **Form 2553** (Election by a Small Business Corporation), fill it out and file.

For (D) above (**Limited Liability Company**), the same instructions apply as for a Corporation in (C) above; fill application out and file ("do-it-yourself").

For (E) above (**Limited Liability Partnership**), these must be registered with NC's Secretary of State as well as at the Register of Deeds Office (see above).

- 5) Once your business legal status and name have been approved, registered, and/or filed, you need to get your "**Federal Tax Identification Number**", also called an "EIN" or a "**Tax ID Number**". You can call IRS Telephone Assistance at **1-800-829-4933** to get your EIN over the phone. Or, you may go to www.irs.gov and type "EIN" in the IRS keyword search box, follow the instructions for online filing or to print out the form for mailing. **NOTE:** A Sole Proprietorship that has no employees and files no excise or pension tax returns is the only legal business that does not need a Tax ID Number. In this instance, the Sole Proprietor uses his/her Social Security Number as their Tax ID Number.
- 6) For businesses that need a "**Sales Tax Number**" (all businesses selling "products", as opposed to selling only "services"), AND/OR have employees; you need to file via the North Carolina Dept. of Revenue using **Form NC-BR** (Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery, Equipment, and Manufacturing Fuel Tax). Click on: <http://www.dornc.com>, and select "Tax Forms." Next select "Sales and Use" for more information. You can use their **Online Business Registration** system at <http://www.dornc.com/electronic/registration/index.html> . Locally, you may also contact the NC Department of Revenue for the form and/or questions (301 McCullough Dr #300, Charlotte, 704-519-3000).
- 7) For businesses with employees, you will need to register with the **NC Employment Security Commission (NC Unemployment Insurance)**. Click on: <https://www.ncesc1.com/> , go to "Unemployment Insurance and Tax Information."
- 8) You need to obtain a City of Charlotte/Mecklenburg County "**Business License**", also known as a "Privilege License." Unless explicitly provided for by the Charlotte-Mecklenburg government, **all businesses/trades/professions located inside the City of Charlotte, or outside the City but conducting any business within the City, are required to purchase a Business License/Privilege License prior to beginning operations!** This requirement applies to ALL businesses, whether for-profit, non-profit, or home-based.

To obtain your License, go to the **Hal Marshall Center (700 N. Tryon St.), Business Tax Collections Office** 704-336-7600. You will need to fill out a "Privilege License Tax Application" which you can print from <http://charmeck.org/mecklenburg/county/TaxCollections/BusinessTaxes/Pages/PrivilegeLicense.aspx>.

Your business will be classified, which will determine the tax rate/fees to be paid. Be prepared to render an estimate of your 1st year's gross sales (if needed). It is here that the **Zoning Department, Environmental Health/Alcohol Enforcement (if applicable)**, give needed approvals before the License is issued (see #2, page 1).

- 9) You'll need to contact the **Business Personal Property Division, 700 E. Stonewall St., 1st Floor, Charlotte, 704-336-6382**, to notify them of the formation of your new business. Online filing for business property tax listing is available at <http://charmeck.org/mecklenburg/county/assessorsoffice/businesspersonalproperty/Pages/default.aspx>
- 10) Finally, for businesses inside the Charlotte City Limits, you should discuss your plans with the Charlotte Fire Prevention Bureau, 704-336-2101, to assure compliance with City **fire codes**. For businesses outside the Charlotte City Limits, you should discuss your plans with the Mecklenburg County Fire Marshal's Office, 704-336-2154 to assure compliance with County fire codes.

Congratulations!! You are now officially legal and licensed by the City/County/State!!

GOOD LUCK on your new business venture!!

Rev.MC 10/26/13