



Licenses and Permits For The Small Business:

What you need that you didn't know

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Dear Business Owner-

We hope this handout will help guide you thru the process of licenses and permits to be a legal business and will not overwhelm you. There are several little licenses and permits you need to receive before you can even open a business banking account. These are crucial to becoming a legal business and having the proper business identity.

Enjoy these steps and it's fun to receive your business license.

Best,

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Ps. If you need additional support or have a question please email:
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Licenses and Permits

We suggest that you obtain your licenses and permits in the following order as this can lessen the amount of “red tape” you may encounter.

License Number One:

The first license to obtain is called a Fictitious Business Name Statement. You may have heard of the fictitious business name being called a “DBA, or ‘doing business as’.” This filing alerts the county as to the name you will be using for your business.

Once you have decided on a name, you need to fill out the Fictitious Business Name Statement and file it (meaning give it to) a County Clerk of the county you live in. There are several County Clerk locations.

The county clerk also requires that you publish your fictitious business name in a weekly publication. They will provide you with a list of acceptable publications. The Fictitious Business Name Statement is valid for five years and can be renewed with the County Clerk. Additionally, you can search for available names and download the Fictitious Business Name Statement application on-line. To search the database of available names, click the link called “FBN Search.” To download the application, click on the link titled “Fictitious Business Name Statement Application.”

Links:

FBN Search

<http://arcc.co.san-diego.ca.us/arcc/services/fbn/search.aspx>

Fictitious Business Name Statement Application (this is for San Diego-double check with your county)

<http://arcc.co.san-diego.ca.us/arcc/resources/FBNFormFiling.aspx>

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License Number Two:

After you file your Fictitious Business Name Statement, the next license to obtain is your business tax certificate. This is issued by the city in which your business is located. Unlike the Fictitious Business Name Statement, the renewal schedule for a business tax certificate varies by city. Additionally, some cities have on-line applications. Please call the city in which your business is located to obtain fees, applications and renewal information.

Note: if your business is located in an unincorporated area, there is no business tax certificate requirement.

License Number Three:

The next application you may need to obtain is a seller's permit. This permit allows you to collect sales tax from your customers and send these taxes to the State Board of Equalization (which then sends them to the State of California.) Here is an example of how this process works: You go to a store to purchase a CD. You are charged sales tax on the purchase price of the CD. This tax is collected by the store selling you the CD, and is then given to the State Board of Equalization who passes it on to the State of California (or whatever State you are in).

Not all goods and services are taxable. Therefore you must contact the State Board of Equalization to determine if you *need* a seller's permit. You may also need a re-seller's permit. This permit, also known as a wholesale number, allows you to be exempt from paying sales tax on wholesale items. The State Board of Equalization staff will help you decide if you need a seller and/or re-seller's permit. Once you make this determination, an on-line application is available. The link to the left provides further information, including the website for an on-line application.

The application requests an estimate of monthly sales for your business. This estimate can be very difficult to make. However, the State Board of Equalization staff is known for their level of customer service. Small business advisors highly recommend all business owners physically visit their local State Board of Equalization office. There, business owners may speak to a representative when determining their estimated sales and obtaining their seller's and re-seller's permit.

State Board Web-Site for California

<http://www.boe.ca.gov/>

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Other Permits and Licenses

There are other City, County, State, and Federal permits and licenses that may be required for your business. Many of these are specific to a particular industry. Others are required for a business with employees. Small business advisors suggest you visit the CalGold website to determine if other permits or licenses are required for your business. This is for business in California, please check with your respectful state as well.

CalGold

<http://www.calgold.ca.gov/>

We know this can be a complicated and lengthy process. We therefore invite you to contact us at any time to help you through the process. Please email us at

info@apaconsulting.biz

Now that you have learned the basics of licensing and permits, you now need know the specifics of starting and operating a business. APA Business Consulting, Inc. is here to help you. At this stage it would be appropriate to have an APA Business Consulting Power Hour to help you get to the next step.

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