How to start a business in Volusia County

This Information Sheet is an overview to begin the process...

1. **ESTABLISH A BUSINESS NAME THAT NO ONE ELSE IS USING IN THE STATE OF FLORIDA**

   To establish a company name, you must file with the state by applying online. Go to sunbiz.org. At the same time, you can also file for your state business license.

   To register your business you will have to choose a business entity that must be used to file your taxes.

   **Your choices of entities are as follows:**

   A. **Sole Proprietorship** -- This is the most popular business entity, one owner. Owner can hire employees and do most things a corporation does, but is personally liable for business debts. Business taxes are paid on personal tax return.

   B. **Partnership** -- Two or more persons who share profits and losses. More owners bring more knowledge and capital to the business and there is no double taxation like corporations. However, partners are fully responsible for each other. If one partner incurs debt and can't pay, the others are personally liable for the debt. Partnerships are complex and should always have a written agreement. Partnerships file state and federal tax returns, but pay no taxes. Profits or losses flow through to the individual partner tax returns.

   C. **Limited Liability Company (LLC)** -- Like a corporation, an LLC protects personal assets from business liabilities, but it has simplified administrative requirements. A benefit is tax flexibility that allows owners to be taxed as sole proprietor (one owner), as a partnership (more than one owner) or as a corporation. Single owner LLCs flow profits or losses to personal tax return and multiple owners can be taxed a partnership. Both eliminate the potential for double taxation that corporations face.

   D. **Corporation** -- Corporations separate ownership from management. Owners (stockholders) can lose their investment in the company, but are not personally liable for its debts. Because corporations have stockholders, officers, annual meetings, directors and many other requirements, they are more costly and complex to run. Corporations pay both state and federal taxes. So, shareholders pay twice – once at the corporate level and again when dividends are received.

2. **REGISTER WITH THE IRS, VOLUSIA COUNTY & CITY OF YOUR BUSINESS LOCATION**

   A. **Once you have selected your entity, the next step is to register with the IRS to get your Federal Employer Identification Number (FEIN)** Register at IRS.gov/Businesses --- A FEIN allows you to (1) open a bank account in the name of your new business, (2) to file your taxes with the IRS using that FEIN number and (3) to file Employee taxes.

   B. **Obtain a business license by registering with the county** – To obtain your license, the county has three offices: Volusia County Courthouse – DeLand 386-736-5912, Daytona Beach Courthouse Annex 386-257-6006 x15912, New Smyrna Beach Courthouse Annex 386-423-3300 x15912. You can also refer to sunbiz.org.

   C. **Register with the city where you establish your business** -- Whether it's a home based business or retail shop, you must file with the city where you operate your business. Each city has offices located conveniently for you to visit and file.

   You are now a legal entity...

3. **TAXES** -- Banks are a good source of information

   A. **Employment taxes** -- If you have employees, you must file with the state and the IRS quarterly. Payroll taxes must be withheld and filed according to the law. It is highly recommended that you use a payroll service for this unless you are totally up to date on all rules and regulations surrounding payroll.

   B. **Sales tax** -- A state sales tax license is required when selling a product or service that requires collection of sales tax. Call the Daytona Beach Service Center at 386-274-6600 or go to the website at sunbiz.org/taxes.

   C. **Tangible Personal Property Tax** -- Applies to business property not included in the assessed value of business' real property. Includes office furniture, computers, tools, supplies, etc. Must be filed by April 1 each year on Dr Form 405. A timely filing automatically includes an application for a $25,000 exemption. Failure to file on time results in a total loss of the exemption.

   D. **Real Estate Tax**. -- All businesses with real estate holdings must pay this tax.

   E. **Unemployment Compensation** -- This is required for any employee you have. Must be paid each quarter.

This is only a brief overview on How to Start a Business, contact us for more information
We can assist on all aspects of business... our free counseling spans many industries & professions
4. INSURANCE, FINANCIAL, SPECIAL PERMITS

A. General Liability Insurance -- Protects your business assets against lawsuit damages if your business is found to be liable for personal injuries or property damage. This is the most basic coverage that a business can have.

B. Automobile insurance -- If your business owns vehicles, they must be insured in the corporation’s name.

C. Workers Compensation Insurance -- Know the Workers Comp laws and requirements for employers regarding this insurance. Situations can be very costly if not handled properly.

D. Commercial Property Insurance -- If you own the building you operate in, this protection is needed to protect your business.

E. Bonding -- Securing bonding should be considered for service or contracting businesses. This is not really insurance; however, a bonding company will pay out for losses you incur and they will go after the insurance company to recoup their losses.

F. Commercial Crime Insurance -- Protects you from employee theft, forgery, burglary, computer fraud, extortion, robbery outside the business, etc.

G. Life insurance -- It’s good to have life insurance to protect financial losses due to a death from loss of a partner, other key employee or a family member.

H. Accounting -- Records must be kept for gross receipts, purchases, expenses, assets, and liabilities. Be sure to have a bank account that is strictly for that business. Do not commingle personal funds with business funds. It is recommended that you hire an accounting firm or bookkeeper and provide monthly reports to properly track progress of your new business. Double entry accounting is suggested.

I. Zoning permits -- Required for certain building structures and types of businesses. Contact City and County Zoning departments.

J. Beverage/Food licenses for those establishments that are serving food and/or alcohol -- For a Food Permit, please see Volusia County Health Dept., Division of Permits. For state licensing regarding alcohol, contact the Florida Department of Business and Professional Regulation, Division of Alcohol Beverages and Tobacco, 1940 N. Monroe St., Tallahassee, FL 32399. Phone 850-487-1395 or go to myfloridalicense.com

K. Environmental Permits -- Any business engaged in potential pollution must apply for appropriate permits.

5. OTHER

Independent Contractors -- If you use independent contractors, rules are strict. Failure to comply could result in fines. If using independent contractors, be sure to have a written document that the contractors take full responsibility for their own taxes. For taxes, they must file a 1099 form.

6 Counseling Locations

SCORE 87 Volusia / Flagler Office: Daytona Beach Chamber of Commerce Offices: Deland... New Smyrna Beach... Ormond Beach... Palm Coast... Port Orange

Free Business Workshops at...

Daytona State College
Bergengren Hall
1200 International Speedway Dr.
Bldg. 110, Room 112 -- Free parking

Daytona Airport
Airline Room (Main terminal, west side)
Park free short term when registered for Workshops

Workshop schedule & more at score87.org

HELPFUL CONTACT INFORMATION

- General Business Information in Florida: myflorida.com, click Business, also sunbiz.org
- Flagler County: 386-313-4000 flaglercounty.com
- Internal Revenue Service: irs.gov/Businesses

HONORS FOR VOLUSIA/FLAGLER -- North Central Florida’s Chapter of The Year 2013, 2011... & one of the Nation’s Top 25 fastest growing chapters... SCORE NATIONAL 50th YEAR-- Began in 1964, now 350 chapters & 11,000 counselors... we’re a nonprofit association to help businesses start, grow & succeed

20+ Business Partners

- Bank of America
- 5 Cities -- Holly Hill...Ormond Beach... New Smyrna Beach... Palm Coast... Port Orange
- 7 Chambers of Commerce -- Daytona Beach & Halifax Area... Flagler... New Smyrna Beach... Ormond Beach... Port Orange/ South Daytona... Southeast Volusia... West Volusia
- Constant Contact Online Marketing
- Daytona Beach News-Journal
- Flagler County Economic Development
- Flagler County Government
- Goliath Radio WELE 1380
- National Score Office
- Palm Coast Business Center
- Palm Coast Observer
- Small Business Development Center
- Stetson University
- SunTrust Bank
- Volusia County Government
- WNDV Radio