



# *Business Basics*

*Starting Off on the Right Path*

## **Small Business Development Center**

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Dear Entrepreneur:

The Farmingdale State Small Business Development Center (SBDC) is a cooperative effort between the United States Small Business Administration (SBA) and the State of New York, and is administered by the State University of New York (SUNY).

The Farmingdale State SBDC delivers up-to-date one-on-one counseling, training and technical assistance in all aspects of business management. Our services include, but are not limited to, assisting small business with financial, marketing, production, organization and feasibility studies. Special SBDC programs and economic development activities include international trade assistance, procurement assistance, veteran services, and venture capital information.

Assistance from the Farmingdale SBDC is available to anyone interested in starting a small business for the first time or improving or expanding an existing business. Thanks to the SBA and the State of New York, the expertise of the SUNY Farmingdale SBDC staff comes at no charge to the client.

We take great pride in promoting economic development in our community. The staff of the Farmingdale SBDC wishes you the best of luck as you embark on your venture.

Very Truly Yours,

Farmingdale  
SBDC

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## **PART ONE – BUSINESS TYPES**

When organizing a business, one of the most important decisions you will need to make will be the business structure. There are four basic forms in which for-profit businesses are organized: the sole proprietorship, the partnership, the corporation and the LLC/LLP. Each form has accompanying advantages and disadvantages, including tax consequences.

### **1) Sole Proprietorship**

A Sole Proprietorship is a business that is owned by one person. As such, the person owns and control the business.

Setting up a sole proprietorship is the simplest, quickest and least expensive way to go into business. Legally, all that is required for set up is to obtain a license as required by the federal, state or local government. If the business has a name other than your own, you must also register your name with your local County Clerk. You do this through the use of a Certificate of Doing Business under an Assumed Name for Sole Proprietor, commonly referred to as a “DBA” (doing business as) form, which can be obtained from the County Clerk’s Office, either in person or online. (See appendix for contact information.) There is a filing fee.

However, although the sole proprietorship is the simplest of business structures, the sole proprietor is held personally liable for any business related obligation. What this means is that if your business fails to pay a vendor, defaults on a debt or loses a lawsuit, you are personally liable for the debt.

Through the eyes of the law, the sole proprietorship is not legally separate from the person who owns it. The sole proprietor simply reports all business income or losses on his or her individual tax return – IRS Form 1040 with Schedule C attached.

### **2) Partnership**

This is a business owned by two or more persons who get together to run the operation. Partners can contribute capital, specialized knowledge, marketing or management skills, and other valuable tools. They also share the risk.

Partners share equally in the right and responsibility of managing the business, and by law each partner is responsible for all debts and obligations of the firm. This means you are personally liable for the full amount of the partnership’s debts, even if they exceed your investment and you did not personally consent to the debt.



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A formal written agreement should be prepared to properly define each partner's role in the business. In the absence of a partnership agreement, the New York State Partnership Law (New York State Consolidated Laws, chapter 39) sets forth rights and duties of partners.

Partnerships must file a Certificate of Conducting Business as Partners with the County Clerk of each county where the business is conducted. You obtain the form to do so at the County Clerk's Office, either in person or online. (See appendix for contact information.)

A partnership itself is not taxable. Instead, you must report the firm's income and expenses on federal and state "information" tax returns, and you are taxed on your share of profits or losses at your individual tax rate. The deduction of losses from your personal income tax statement could be a tax advantage.

### **3) Corporation**

A corporation in New York State is an entity mutually exclusive of the Individual (s) who own and manage the business. A corporation is authorized to sell, buy and inherit property in its own name, and has legal rights, powers and duties. Corporations are operated for profit, and may raise capital by selling shares of interest in the corporation. A corporation's debts and obligations are distinctly its own.

To create a corporation you must meet specific statutory requirements, which include a Certificate of Incorporation with the New York State Department of State, Division of Corporations (see appendix). There are fees for name searches, for reservation of the name you select and for the Certificate of Incorporation.

In addition to filing a Certificate of Incorporation, you must create "Corporate Bylaws." While Bylaws do not need to be filed with the state, they are important because they set out the basic rules that govern the ongoing formalities and decisions that govern corporate life, such as how and when to hold regular and special meetings of directors and shareholders and the number of votes necessary to approve corporate decisions.



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It is also important that you issue stock certificates to the initial owners (shareholders) of the corporation and record who owns the ownership interests (shares, or stock) in the business.

Corporations and their owners must observe certain formalities to retain their status as a separate entity. Specifically, corporations must:

- hold annual shareholders' and directors' meetings
- keep minutes of shareholders' and directors' meetings major decisions
- make sure that the corporate officers and directors sign documents in the name of the corporation
- maintain separate bank accounts from their owners
- keep detailed financial records
- file separate corporate income tax returns

### S and C Corporations

Corporations are "C" corporations unless a special election is filed by shareholders under the tax law for "S" Corporation status. There is a time limit for an "S" election.

Under Section 1362 of the Internal Revenue Code, certain small business corporations may report income on personal tax returns. This is accomplished, after filing a Certificate of Incorporation with the Secretary of State, by filing Form 2553 with the Internal Revenue Service. Once the IRS grants its approval, a similar election form called CT-6, "Election by a Small Business Corporation," must be filed with the NYS Department of Taxation and Finance (see Appendix).

An "S" corporation is taxed under subchapter "S" of the Internal Revenue Code, which means that it is taxed similarly to a partnership. Income and expenses of the "S" corporation flow through to investors in proportion to their shareholdings, and profits or losses are taxed to shareholders at their individual tax rates.

In contrast, a "C" corporation is a separate, taxable entity that reports its income and expenses on a corporation income tax return, and is taxed at corporate income tax rates. Profits are taxed before dividends are paid. Shareholders pay taxes on dividends by reporting them as income. This results in double taxation of profits paid as dividends. By electing "S" Corporation status, this double taxation of corporate profits can be avoided.



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Not all corporations qualify for "S" corporation status. An "S" corporation may not have more than 75 shareholders, non-individual shareholders other than estates and certain trusts, nonresident aliens as shareholders or more than one class of stock.

One of the main advantages of incorporating is that the owner's personal assets are protected from the creditors of the corporation. Since only corporate assets need to be used to pay business debts, you stand to lose only the money you've invested in the corporation.

There are some exceptions in which limited personal liability will not shield an owner's personal assets. An owner of a corporation can be held personally liable if he/she:

- personally and directly injures someone
- personally guarantees a bank loan or a business debt on which the corporation defaults
- fails to deposit taxes from employees' wages
- does something intentionally fraudulent or illegal that causes harm to the company or someone else, or treats the corporation as an extension of his/her personal affairs, rather than as a separate legal entity

#### **4) Limited Liability Company (LLC) and Limited Liability Partnership (LLP)\***

*The Limited Liability Company (LLC):* Combines attributes from both corporations and partnerships (in the case of one person LLCs, sole proprietorships) the corporation's protection from personal liability for business debts and the simpler tax structure of partnerships. And while setting up an LLC is more difficult than creating a partnership or sole proprietorship, running one is significantly easier than running a corporation.

To create an LLC, you must begin by filing an "Articles of Organization" with the New York State Department of State. You may obtain this form (in PDF format) at <http://www.dos.state.ny.us/corp/llccorp.html> (for mailing address, see Appendix). There is a filing fee.

In addition to filing the Articles of Organization, you must create a written LLC operating agreement. While this does not need to be filed with the state, it is a critical document because it sets out the LLC member's rights and responsibilities, their percentage interests in the business and their share of profits.



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For tax purposes, one owner LLCs are treated the same as sole proprietorships. Profits are reported on Schedule C as part of your individual 1040 tax return. Self-employment taxes on LLC net income must be paid just as you would with any self-employment business.

Similarly, multiple owner LLCs are treated as a partnership by the IRS. The tax return that the LLC completes and files is IRS Form 1065, Partnership Information Return. On this form, LLC profits are reported and allocated to each of the owners according to the LLC's operating agreement. Each owner is given a Schedule K-1, which shows each owner's share of LLC income or loss. The owner then reports and pays taxes on this income on the owner's annual 1040 income tax return. LLCs must also place a notice to be published in two newspapers in the county where the business is located. The notice must run each week for six successive weeks specifying the details of the limited partnership. There is a filing fee.

*The Limited Partnership (LLP):* This is a special form of partnership with financial liability limited to the amount of each partner's investment. There must be at least one general partner. The general partner controls the firm and is responsible for its debt and obligations. In exchange for limited liability, the limited partner gives up the right to participate in the day-to-day management and control of the business. A limited partnership Certificate of Registration must be filed with the New York State Department of State, Division of Corporations, State Records and Uniform Commercial Code. You may download the form at <http://www.dos.state.ny.us/pdfs/dos1526.pdf> (see Appendix for mailing address). Immediately after filing the certificate, a notice must be published in two newspapers in the county where the business is located. The notice must run each week for six successive weeks specifying the details of the limited partnership. There is a filing fee.

While the partnership does not pay taxes, it must file Form 1065, an informational return, with the IRS each year. This form sets out each partner's share of the partnership's profits (or losses), which the IRS reviews to make sure the partners are reporting their income correctly.

\*For additional information regarding LLC's and LLP's, refer to Publication 16 of the New York State Department of Taxation and Finance. It may be downloaded (in PDF form) at [http://www.tax.state.ny.us/pubs\\_and\\_bulls/General.htm](http://www.tax.state.ny.us/pubs_and_bulls/General.htm).





IN SUMMARY: A QUICK REFERENCE GUIDE TO LEGAL BUSINESS FORMATIONS  
**Proprietorship Partnership Corporation LLC or LLP**  
**(S or C)**

<b>Best Suited For</b>	Single owner business; tax rates determined by bracket of individual; owner personally liable for all debts and aspects of business	Two or more business owners/partners are personally liable for all debts and acts of business.	Single or multiple owner business where owner(s) need(s) company fringe benefits and liability protection	Single or multiple owned business where owner(s) need(s) limited liability but want to be taxed as a partnership
<b>Type of Entity</b>	Inseparable from owner	Inseparable owner but can have debt or property in its name	Separate legal entity	Separate legal entity
<b>Main Advantages</b>	Inexpensive to set up; few administrative duties	Inexpensive to set up; few administrative duties	Limited Liability; company paid fringe benefits (C Corp.); tax savings through income splitting (C Corp.); Capital is easy to raise through sale of stock	Limited Liability; pass-through entity; unlimited number of owners; capital is easy to raise through sale of interests
<b>Main Disadvantages</b>	Unlimited liability; no tax benefits; business dissolves upon death of owner	Unlimited liability; also liable for partners' acts; no tax benefits; legally dissolves upon change or death of partner	Can be costly to form; more administrative duties; S Corp. limited to 75 shareholders	Can be costly to form; more administrative duties
<b>Taxes</b>	Owner is responsible; file Schedule C with Form 1040	Partners are responsible; file Form 1065	C Corp. pays its own, S Corp. passes through to owners; file Form 1120, S Corps. file Form 1120S	Taxes as a partnership; file Form 1065, with Schedule K-1 in the case of multiple owners



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## PART TWO – WRITING A BUSINESS PLAN

Once you have given some careful consideration to the business, you'll be ready to put ideas in writing. Just as a building needs a blueprint, a business needs a business plan. A business plan is a formal document which explains in some detail your plan to develop a financially successful business.

Preparing a business plan forces you to think through every aspect of your business. If you need outside capital, the business plan will be one of the first things the lender or investor will want to see. In particular it will help organize and consolidate ideas so you can better promote your business.

The business plan serves as an assessment tool for you, the owner. As you work your way through the points of the plan, you will need to reaffirm the viability of your ideas. As you grow as a business, a plan will help you keep track of the details and make sure the business is progressing as you intended.

### Structure of a Business Plan:

- Statement of Purpose
- Business Description
- Products and Services
- Market Analysis
- Management and Operations
- Financial Analysis and Projections

Please refer to the *Business Plan Guide*, provided by the SUNY Farmingdale SBDC, for additional information and tips. The business advisors at the SUNY Farmingdale SBDC will aid and assist you through the process of preparing an effective business plan.

## PART THREE – FINANCING YOUR BUSINESS

As you already know, one key to a successful business start-up and expansion is your ability to obtain and secure appropriate financing. Raising capital is the most basic of all business activities. But, this does not need to be a complex and frustrating process, as is commonly believed. With the assistance of the Farmingdale SBDC, you will be informed and will be able to plan effectively to assure that raising money for your business will not be a painful experience.



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## Searching for the money you need

There are several sources to consider when looking for financing. It is important to consider all of your options before making a decision.

Personal savings: the primary source of capital for most new businesses comes from savings and other forms of personal resources.

Relatives and friends: Many entrepreneurs look to private sources such as friends and family when starting a new business venture, edit unions will provide a loan if you can show your business proposal is sound.

Venture capital firms: These firms help expanding companies grow in exchange for equity or partial ownership. (For a list of venture capital firms licensed by the SBA, go to <http://www.sba.gov/INV/liclink.html>.)

## Getting the money you need: Types of business loans

Most small businesses require a loan of some sort. The following is a brief overview of types of business loans. The Farmingdale State SBDC business advisors can provide a more in-depth perspective of small business loan options in order to help you apply for and secure a loan.

Short-term: generally have the maturity of up to one year. These include working-capital loans, accounts-receivable loans and lines of credit.

Long-term: have maturities greater than one year but usually less than seven years. Real estate and equipment loans may have maturities of up to 25 years. Long-term loans are used for major business expenses such as purchasing real estate and facilities, construction, durable equipment, furniture and fixtures, vehicles, etc.

## United States Small Business Administration(SBA)Loan Maturities:

SBA loan programs are generally intended to encourage longer term small business financing, but actual loan maturities are based on the ability to repay, the purpose of loan proceeds, and the useful life of the assets financed. However, maximum loan maturities have been established:

25 for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to seven years for working capital. Short-term loans are also available through the SBA to help small businesses meet their short-term and cyclical working capital needs



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## **PART FOUR – GOVERNMENT REGULATIONS AND YOUR BUSINESS**

There are an array of federal, state and local regulations that your business must comply with. The subsequent list is a good guideline, but is by no means exhaustive. There are variations by industry. Be sure to thoroughly investigate the regulations that affect your industry. (The permit section lists industries/occupations regulated by the State of New York.) Remember, being out of compliance could leave you unprotected legally, lead to expensive penalties, and jeopardize your business.

### **1) Business Licenses**

**Cities and Towns:** According to State law, each city or township may require permits – check your local municipality for license requirements. This can be done by contacting the Town Clerk in each town where you will be conducting business (see Appendix for contact information).

**Villages:** Contact the Village Clerk to determine if a permit is required.

### **2) Business/Individual Licenses & Permits**

The following is a list of industries/occupations that require a state permit. For assistance contact:

Governor's Office for Regulatory Reform (GORR )  
(518) 453-8130 Mon.-Fri. 8:30am -4:30pm  
[Https://bw.licensecenter.ny.gov](https://bw.licensecenter.ny.gov)



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Accountant/Accounting Services	Carpentry	Driving Schools
Acupuncture	Carpet and Upholstery	Dry Cleaning
Adult Day Care	Cleaning	Electrical Contractor
Advertising Services	Carpet Stores (Sales and Installation)	Electrical Repair Services
Alarm Installers	Catering	Electronics Store
All Terrain Vehicle (ATV) Dealers	Charter Bus Service	Employment Agencies
Ambulance Service	Chimney Cleaning Service	Engineering Services
Ambulette Services	Chiropractic	Escort Service
Animal Breeding	Cigar Shops	Extermination Services
Antique Sales	Cigarette Shops	Fabric Shop/Sewing Supply Shop
Antique Shows	Cleaning Services (Residential and Commercial)	Fast Food Establishments
Apartment Referrals	Clerical/Secretarial Services	Fishing Guides
Apparel Manufacturing	Clothing and Accessory Stores	Fish/Seafood Market
Arcade	Coin Processor	Flea Markets
Architectural Services	Coin Shows	Floor Covering Stores
Armored Car Service	Commission Merchant (Farm Products Dealer)	Florist
Asbestos Removal	Computer Consulting	Food Processing/Manufacturing
Athletic Trainers	Computer Equipment Sales	Food/Beverage Vendors
Auctions/Auctioneer	Computer Maintenance/Repair Services	Fuel Oil Dealer
Audiologist	Computer Program/Design Services	Funeral Homes
Automotive Supply Store	Convenient Food Stores	Furniture Movers
Bagel Shop	Courier Service	Furniture/Home Furnishing Stores
Bail Enforcement Agent	Court Reporting	Garbage/Trash Collection
Bait/Tackle Shop	Craft Shop	Gasoline Station
Bakery	Craft Show	General Contractor – Heavy Construction
Barber Shops	Craft/Hobby Vendor	General Contractor – Non-Residential
Beauty Salon	Credit Counseling/Credit Repair	General Contractor – Residential
Beauty Supply Store	Credit Reporting	General Merchandise Sales
Bed and Breakfast	Dating Service	Gift Baskets
Bedding (Manufacturing/Renovation)	Day Care/School Age Child Care	Gift/Novelty/Souvenir Shops
Bicycle Shop (Sales/Repair/Rentals)	Debt Collection Agency	Graphic Design/Printing
Billiard Parlor	Deli	Greenhouse
Billing Service	Delivery Services	Grills/Bars
Bingo Hall	Demolition Services	Grocery Store
Boat Dealers	Dental	Gun Shop
Bodega	Dietetics/Nutrition	Hardware Stores
Body Piercing	Diner	Haulers
Book Store	Disc Jockey Service	Health Club/Fitness Center
Bookkeeping	Disposal Plants	Health Food Store
Bowling Alley	Doughnut Shop	Health Spa
Bowling Supplies/Lumber Stores		Hearing Aid Dispensing
Building Supplies/Lumber Stores		Home Improvements
Bus Service/Company		Home Inspection
Café		Hotels and Motels
Camera/Photographic Supply Stores		
Campground		
Candy Store		
Car Detailing		

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Household Appliance Stores	Nursery School	Small Engine Repair Services (Except Automotive)
Household Appliance Repair Shops	Nurses Registry	Snowmobile Dealers
Household Goods Moving	Nursing	Snowplowing
Hunting Guides	Occupational Therapy	Social Referral Service
Interior Decorating/Design	Optometry/Ophthalmic Dispensing	Social Work
Investment Counselors/Advisory Services	Painting and Paper Hanging	Specialty Food Stores (Coffees/Teas/Spices/Herbs)
Itinerant Vehicle Collector	Paint/Glass/Wallpaper Stores	Speech Pathologist
Jewelry Store	Passenger Transportation (Except Taxi and Limousine)	Sporting Goods Store
Landscaping	Pawnshop	Stamp Show
Laundry/Laundromat/Laundrette	Payroll Service	Supermarket
Lawn and Garden Services	Pest and Insect Control Services	Surveying Services
Limousine Service	Pet Boarding/Kennels	Talent Agency/Registry
Liquor Service	Pet Cemetery	Tanning Salon
Lobbyists	Pet Grooming	Tattoo Parlor
Locksmith Shop	Pet Sitting/Walking Service	Tax Preparation Services
Lottery Sales Agent	Pet Store/Shop	Taxi Service
Luggage/Leather Goods Store	Pharmacy	Telemarketing
Maid Services	Photographic Services	Telephone Answering Service
Mail Order	Physical Therapy	Temporary Placement Agencies
Masonry, Stonework, Tile Setting, Plastering	Physicians/Doctors	Textile Manufacturing
Massage Parlor	Pizzeria	Theatre/Stadium/Arena
Midwifery	Plastics Manufacturing	Theatrical Agents/Registry
Miniature Golf	Plumbing, Heating and Air Conditioning	Towing Services (Automotive)
Modeling Agency/Registry	Podiatry	Transport Property/Freight Transportation of Passengers (Except Taxi and Limousine)
Motor Vehicle Dealers (New and Used)	Private Investigation	Travel Agency
Motor Vehicle Rental Company	Process Server	Tree Farms
Motor Vehicle Repair Shop	Psychology	Tree Services
Motor Vehicle Trailer/Dismantler	Public Relations	Trucking
Motor Cycle Sales (New and Used)	Real Estate Sales/Brokers/Appraisals	Underwater Logging
Mountain Climbing/Rock Climbing Guide Services	Rendering Plants	Used Books
Moving Companies	Respiratory Therapy	Vending Machines
Music Productions	Restaurant	Veterinary Medicine and Rentals
Music Store	Resume Writing Services	Whitewater Rafting Guides
Notary Public	Roofing, Siding and Sheet Metal Work	Wine Store
Nurseries	Second Hand Clothing	
	Security Guard Services	
	Security Systems (Installation and Monitoring)	
	Shoe Repair	
	Shops/Shoeshine Parlors	

If the industry or occupation that your business entails is not listed above, it is still a good idea to contact GORR. Permit requirements do change; taking the time to do a little research now will avert potential obstacles later. In addition, it is recommended that you contact your local municipality prior to filing for a state permit.



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### 3) Certificate of Occupancy (CO)

If you are planning on occupying a new or used building for a new business, you may have to apply for a CO from your town or city zoning department. For information contact the town or city zoning entity where the business is to be located (see Appendix).

### 4) Protecting Your Idea

**a. Trademark** – A word, name, symbol, device or any combination of these that identifies and distinguishes goods used in interstate (federal registration) or intrastate (state registration) commerce.

**b. ServiceMark** – A mark that identifies and distinguishes services and includes various distinctive features of advertising.

*For federal registration of a trademark or service mark contact:*

United States Department of Commerce  
Trademark Office  
2021 Jefferson Davis Highway  
Arlington, Virginia 22202  
Phone: 800-786-9199  
<http://www.uspto.gov>

*For New York State registration of a trademark or service mark contact:*

Department of State  
Miscellaneous Records Section  
162 Washington Avenue  
Albany, New York 12231  
<http://www.dos.state.ny.us/corp/miscfae.html>

**c. Patent**– A U.S. patent for an invention is the grant of a property right to the inventor(s), issued by the U.S. Patent and Trademark Office. The right conferred by the patent grant is, in the language of the statute and of the grant itself, "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States.

*To register a patent contact:*

United States Department of State  
Assistant Commissioner for Trademarks, Patent Applications  
Washington, DC 20231  
Phone: 800-786-9199



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**d. Copyrights**– Protect the thoughts and ideas of authors, composers and artists. A copyright prevents illegal copying of written matter, works of art or computer programs. In order to insure copyright protection, the copyright owner should always include notices on all copies of the work.

*To obtain more information, contact:*

United States Copyright Office  
United States Library of Congress  
James Madison Memorial Building  
Washington, DC 20559  
Phone: 202-707-3000

## **5) Tax Information**

### **a. Federal Taxes, State Taxes and Federal Insurance Contributions Act (FICA)**–

Business owners are required by law to withhold the following from wages paid to employees: federal income taxes, state income taxes and FICA (Social Security) insurance. Income taxes will also be levied by the federal and state governments on earnings of any business. Therefore, each business must file an income tax return with both agencies. Businesses may be required to file estimated taxes on a quarterly basis.

*For federal tax information contact:*

United States Internal Revenue Service  
1180 Veteran's Memorial Highway  
Hauppauge, New York 11785  
Phone: 631-851-4726  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

*For New York State tax information contact:*

New York State Tax Department  
Taxpayers Assistance Bureau  
W. A. Harriman Campus Albany,  
New York 12227 Phone:  
800-225-5829  
[www.tax.state.ny](http://www.tax.state.ny)

*For Social Security Insurance (FICA) information, contact:*

United States Social Security Administration  
1121 Walt Whitman Road  
Melville, New York 11747  
Phone: 800-772-1213  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)





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**b. Federal Self-Employment Tax**– Everyone must pay Social Security Tax. If you are self employed (as in the case of a sole proprietorship or partnership), your Social Security contribution is made through the self employment tax.

*Contact the IRS at:*

United States Internal Revenue Service (Suffolk)  
1180 Veteran’s Memorial Highway  
Hauppauge, New York 11785  
Phone: 631-851-4726  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

United States Internal Revenue Service (Nassau)  
107 Charles Lindberg  
Garden City, New York 11530  
Phone: 516-683-5169  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

**c. Sales Tax Number and Authorization**– Businesses which purchase merchandise and material for resale must apply for a tax number (also known as a resale certificate) to avoid paying taxes from their suppliers. In addition, they must obtain a tax authorization to collect sales tax from their customers.

*To obtain more information contact:*

NYS Tax Dept.  
Sales Tax Registration Unit  
W.A. Harriman, Office Campus  
Albany, NY 12227  
[www.licensecenter.ny.gov](http://www.licensecenter.ny.gov)

**d. Property Taxes**– County, town and school taxes are only applicable to businesses owning real property. Each town or city regulates its own assessments. For further information contact the Town/City Assessor where the business is located.

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**e. Unemployment Insurance Tax**– Businesses are required to pay federal unemployment insurance tax if the company has one or more employees for 20 weeks in a calendar year, or it had paid gross wages of \$1,500 or more in a calendar year. Businesses are similarly required to pay New York State unemployment insurance.

*For New York State unemployment insurance information, contact:*

New York State Department of Labor  
Division of Unemployment  
PO Box 15130  
Albany, NY 12212-5130  
Phone: 1 888 209 8124  
[www.labor.ny.gov](http://www.labor.ny.gov)

*For federal unemployment insurance information, contact:*

United States Internal Revenue Service  
1180 Veteran's Memorial Highway  
Hauppauge, New York 11785  
Phone: 631-851-4726  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

#### **6) Employer Identification Number (EIN)**

The EIN is a nine digit number which takes on the following format: 00-0000000. The IRS uses the number to identify taxpayers who are required to file various business tax returns. All businesses are required to have one, except for sole proprietorships with no employees. In the case of the latter a social security number will usually suffice, check with relevant financial institutions first. To obtain an EIN, you may download an application (in PDF form) at [www.irs.gov/pub/irs-pdf/fss4.pdf](http://www.irs.gov/pub/irs-pdf/fss4.pdf). You may also contact the IRS at:

United States Internal Revenue  
Service 1180 Veteran's Memorial  
Highway Hauppauge, New York 11785  
Phone: 631-851-4726 or 866-816-2065  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

#### **7) Immigration Act**

The Federal Immigration and Control Act of 1986 requires all employers to verify the employment eligibility of new employees. The law obliges an employer to process Employment Eligibility Verification Form I-9.



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## 8) Worker's Compensation and Disability Benefits

If a business employs three or more people, workers' compensation insurance must be carried to provide protection for on-the-job accidents.

*For further information contact:*

### *Nassau*

New York State Insurance Fund  
8 Corporate Center Drive  
2nd Floor  
Melville, NY 11747  
Phone: 613-756-4000

### *Suffolk*

New York State Insurance Fund  
8 Corporate Center Drive  
3rd Floor  
Melville, NY 11747  
Phone: 613-756-4300

[www.socialsecurity.gov.locator](http://www.socialsecurity.gov.locator)

*Contact the Immigration and Naturalization Service (INS) for forms and assistance at:*

INS Office of the Business Liaison  
Room 3034  
425 I Street, NW  
Washington, DC 20536  
Phone: 800-357-2099

## 9) Industrial Regulations

Laws require that businesses comply with safety and health regulations. New business owners should request inspection of their premises prior to commencing business operations.

*For further information, contact:*

United States Department of Labor Occupational  
Safety and Health Administration (OSHA)  
201 Varick Street, Room 670  
New York, New York 10014  
Phone: 212-337-2378

[www.osha.gov](http://www.osha.gov)

## 10) Zoning and Variances

Local municipalities have ordinances regulating the businesses within their jurisdictions. Some of these ordinances define the procedures for obtaining permits for structural changes in existing buildings zoned for commercial and manufacturing uses, as well as applying for variances. Contact the town, city or village zoning board where the business will be located for more specific information (see Appendix).



\*\*The New York State Department of Taxation and Finance has published Publication 20: New York State Tax Guide for Business. It is an excellent resource for start-up businesses. It can be downloaded (in PDF form) at [www.tax.state.ny.us/pdf/publications/pub20\\_1201.pdf](http://www.tax.state.ny.us/pdf/publications/pub20_1201.pdf).



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## APPENDIX

### 1. Credit Reporting Organizations

Equifax

P.O. Box 740241

Atlanta, GA 30374

Phone: 1-800-685-1111

[www.equifax.com](http://www.equifax.com)

Experian

200 Madison Avenue

Sixth Floor

New York, NY 10016-3903

Phone: 888-397-3742

[www.experian.com](http://www.experian.com)

### 2. Federal Agencies

Social Security

26 Federal Plaza

New York, New York 10278

Phone: 212-264-3860

[www.socialsecurity.gov](http://www.socialsecurity.gov)

United States Department of  
Commerce

Economic Development  
Administration

Curtis Center, Suite 140 South

Independence Square West

Philadelphia, Pennsylvania 19106

Phone: 215-597-4603

[www.doc.gov/eda](http://www.doc.gov/eda)

United States Department  
of Labor

200 Constitution Ave., NW

Washington, DC 20210

Phone: 1-866-487-2365

[www.dol.gov](http://www.dol.gov)

United States Small Business  
Administration (SBA)

350 Motor Pkwy

Hauppauge, NY 11788

Phone: 631-454-0750

[www.sba.gov](http://www.sba.gov)

United States Department of  
Veteran's Affairs

245 West Houston Street

New York, New York 10014

Phone: 800-827-1000

[www.va.gov](http://www.va.gov)

### 3. State Agencies

New York State Liquor Authority

317 Malcolm X Blvd

New York, New York 10027

Phone: 518-474-3114

<https://www.sla.ny.gov>

Empire State Development

150 Motor Parkway

3rd Floor, Suite 311

Hauppauge, New York 11788

Phone: 631-435-0717

[www.esd.ny.gov](http://www.esd.ny.gov)

New York State Department of  
Financial Services

1 State Street

New York, New York 10004

<http://www.dfs.ny.gov>



New York State Office of Children  
and Family Services  
State Office Building  
Capital View Office Park  
52 Washington Street  
Rensselaer, NY 12144  
Phone: 518-473-7793  
[www.ocfs.state.ny.us](http://www.ocfs.state.ny.us)

New York State Small  
Business Development Center  
Campus Commons  
Farmingdale State College  
Farmingdale, New York 11735  
Phone: 631-420-2765  
[www.farmingdale.edu/sbdc](http://www.farmingdale.edu/sbdc)

New York State Department of  
Motor Vehicles  
Albany  
Phone: 212-645-5550  
Phone: 718-966-6155  
<https://dmv.ny.gov>

New York State Department of State  
Division of Corporations, State  
Records, and Uniform Commercial  
Code  
41 State Street  
Albany, NY 12231-0001  
Phone: 518-473-2492  
[www.dos.ny.gov](http://www.dos.ny.gov)

New York State Department of State  
Division of Licensing Services  
250 Veteran's Hwy., Room 2A15  
Hauppauge, New York 11788  
Phone: 631-952-6579  
[www.dos.ny.gov](http://www.dos.ny.gov)

#### 4. County Agencies

*Nassau County*  
Nassau County Clerk's Office  
240 Old Country Road  
Room 108  
Mineola, New York 11501  
Phone: 516-571-2663  
[www.co.nassau.ny.us/clerk/  
index.html](http://www.co.nassau.ny.us/clerk/index.html)

Nassau County Office of Consumer  
Affairs  
160 Old Country Road  
Mineola, New York 11501  
Phone: 516-571-3871  
[www.nassaucountyny.gov/  
agencies/oca](http://www.nassaucountyny.gov/agencies/oca)

Nassau County Department of  
Health  
200 County Seat Drive  
Mineola, New York 11501  
Phone: 516.227.9697  
[https://www.nassaucountyny.  
gov/1652/Health-Department](https://www.nassaucountyny.gov/1652/Health-Department)



Nassau County Veteran's Service Agency  
2201 Hempstead Tpke  
East Meadow, NY 11554  
Phone: 516-572-6565  
<http://www.nassaucountyny.gov/1945/Veterans-Service-Agency>

Empire State Development  
Minority and Women Owned  
Business Office  
633 Third Avenue  
New York, New York 10017  
Phone: 212-803-2414

*Suffolk County*  
Suffolk County Clerk's Office  
310 Center Drive  
Riverhead, New York 11901  
Phone: 631-852-2001  
[www.so.suffolk.ny.us/clerk](http://www.so.suffolk.ny.us/clerk)

Suffolk County Office of  
Consumer Affairs  
P.O. Box 6100  
Hauppauge, New York 11788  
Phone: 631-853-4600  
[www.suffolkcountyny.gov](http://www.suffolkcountyny.gov)

Suffolk County Department of  
Economic Development  
H. Lee Denison Building  
100 Veterans Highway  
P.O. Box 6100  
Hauppauge, NY 11788  
Phone: 631-853-4800  
[www.suffolkcountyny.gov](http://www.suffolkcountyny.gov)

Suffolk County Veteran's Service  
Agency  
H. Lee Denison Building, 3rd Floor  
100 Veteran's Highway  
Hauppauge, New York 11788  
Phone: 631-853-8387

## 5. Town and City Zoning Entities

Nassau County Hempstead  
Board of Zoning Appeals  
1 Washington Street  
Hempstead, New York 11550  
Phone: 516-489-5000  
Phone: 516-869-7659

North Hempstead Board of Appeals  
210 Plandome Road  
Manhasset, NY 11030  
Phone: 516-869-7667

Oyster Bay Zoning Board of Appeals  
74 Audrey Avenue  
Oyster Bay, New York 11771  
Phone: 516-624-6232

Glen Cove Department of Building  
and Planning Zoning Office  
9 Glen Street  
Glen Cove, New York 11542  
Phone: 516-676-4490

Long Beach Zoning Board of Appeals  
City Hall, Room 304  
Long Beach, New York 11561  
Phone: 516-705-7215



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*Suffolk County*

Babylon Zoning Board of Appeals  
200 East Sunrise Highway  
Lindenhurst, New York 11757  
Phone: 631-957-3011

Brookhaven Board of Zoning Appeals  
1 Independence Hill Dr.  
Farmingville, NY 11738  
Phone: 631-451-6477

East Hampton Zoning Board of Appeals  
300 Pantigo Place  
East Hampton, New York 11937  
Phone: 631-324-8816

Islip Building and Engineering Department  
Zoning Office  
1 Manitton Court  
Islip, New York 11751  
Phone: 631-224-5438

Riverhead Board of Zoning Appeals  
Town Hall  
200 Howell Avenue  
Riverhead, New York 11901  
Phone: 631-727-3200 ext.240

Smithtown Board of Zoning Appeals  
99 West Main Street  
Smithtown, New York 11787  
Phone: 631-360-7540

Southampton Board of Zoning Appeals  
116 Hampton Road  
Southampton, New York 11968  
Phone: 631-287-5707

Southold Zoning Board of Appeals  
53095 Main Road  
Southold, New York 11971  
Phone: 631-765-1809

**6. Town and City Clerk's Offices**

Nassau County  
Hempstead Town Hall  
1 Washington Street  
Hempstead, New York 11550  
Phone: 516-489-5000, ext. 3046

Oyster Bay Town Clerk  
54 Audrey Avenue  
Oyster Bay, New York 11771  
Phone: 516-624-6322

Glen Cove City Clerk  
9-13 Glen Street  
Glen Cove, New York 11542  
Phone: 516-676-3345

Long Beach City Clerk City Hall, Room 307  
Long Beach, New York  
Phone: 516-431-1000 ext.331





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### *Suffolk County*

Babylon Town Clerk  
200 East Sunrise Highway  
Lindenhurst, New York 11757  
Phone: 631-957-3005

Brookhaven Town Clerk 1  
Independence Hill  
Farmingville, NY 11738  
Phone: 631-451-9101

East Hampton Town Clerk  
159 Pantigo Road  
East Hampton, New York 11937  
Phone: 631-324-4143

Huntington Town Clerk  
100 Main Street  
Huntington, New York 11743  
Phone: 631-351-3206

Islip Town Clerk  
655 Main Street  
Islip, New York 11751  
Phone: 631-224-5490

Riverhead Town Clerk  
200 Howell Avenue  
Riverhead, New York 11901  
Phone: 631-727-3200

Shelter Island Town Clerk  
38 N. Ferry Road  
Shelter Island, New York 11964  
Phone: 631-749-1166

Smithtown Town Clerk  
99 West Main Street  
P.O. Box 646  
Smithtown, New York 11787  
Phone: 631-360-7620

Southampton Town Clerk  
116 Hampton Road  
Southampton, New York 11968  
Phone: 631-287-5740

Southold Town Clerk  
33095 Main Road  
Southold, New York 11971  
Phone: 631-765-1801

### **7. Networking Organizations**

*(In addition to these networking organizations, contact your local chamber of commerce as a good networking point of contact.)*

Advancement for Commerce,  
Industry and Technology (ACIT)  
P.O. Box 220  
Huntington, New York 11743  
Phone: 631-789-1660  
**[www.acit-li.org](http://www.acit-li.org)**

American Woman's Economic  
Development Corporation (AWED)  
216 E. 45th Street 10th Floor  
New York, New York 10017  
**[www.awed.org](http://www.awed.org)**

Long Island Association (LIA)  
300 Broadhollow Road  
Melville, New York 11747  
Phone: 631-493.3000  
**[www.longislandassociation.org](http://www.longislandassociation.org)**



Long Island Center for Business and Professional Women  
60 Weston Street  
Huntington Station, New York 11746  
Phone: 631-673-0209

New York State Association of Black Women Owned Enterprises (BWE)  
730 Fulton Avenue  
Hempstead, New York 11550  
Phone: 516-485-5900

Long Island Development Corporation (LIDC)  
45 Seaman Ave.  
Bethpage, NY 11714  
Phone: 516-433-5000  
**www.lidc.org**

Minority Business Enterprises Coalition & Women's Business Enterprises Coalition  
Suffolk County Minority Affairs Division  
H. Lee Denison Building, 3rd Floor  
100 Veteran's Highway  
Hauppauge, New York 11788  
Phone: 631-853-5692

Hauppauge Industrial Association (HIA)  
P.O. Box 11004  
Hauppauge, New York 11788  
Phone: 631-543-5355  
**www.hia-li.org**

Long Island Forum for Technology (LIFT)  
111 West Main Street  
Bay Shore, New York 11706  
Phone: 631-969-3700  
**www.lift.org**



NOTES



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