



WASHINGTON  
Secretary of State



Employment  
Security  
Department  
WASHINGTON STATE



Washington State Department of  
Labor & Industries

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# *Small Business Requirements & Resources*

## 6 Steps for Starting a Business in WA

# 6 Steps for Starting a Business in WA



1. Learn about resources and make a Business Plan.
2. Form the business.
3. Get required licenses and permits.
4. Prepare for state tax and reporting requirements.
5. Learn employer requirements.
6. Accelerate your success by using advisors.



# Step 1: Resources and Planning

## Resources

- [Business.wa.gov](http://Business.wa.gov) Website
- Small Business Guide
- Training & Advising Programs
- Small Business Liaison Team

# Step 1: Resources and Planning



Use your phone now and browse to:

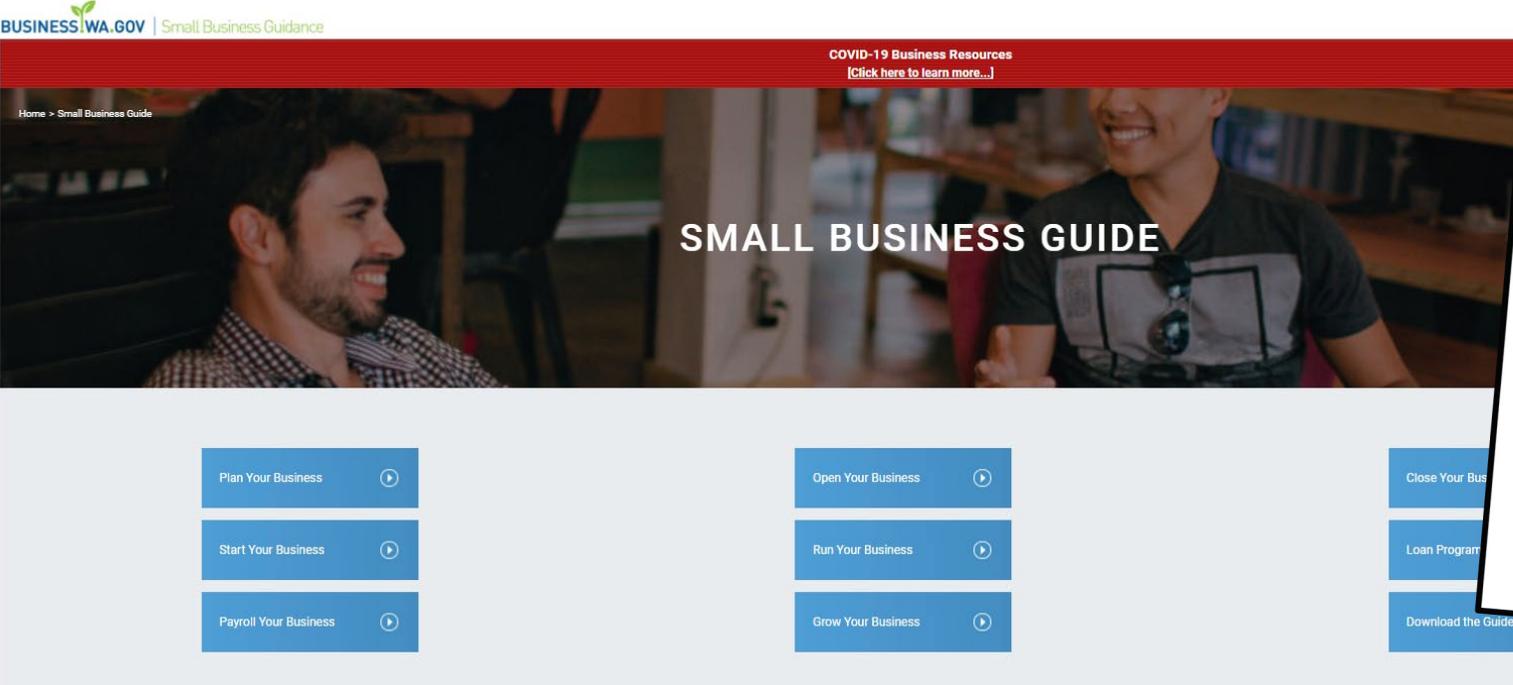
[business.wa.gov](https://business.wa.gov)

# Step 1: Resources and Planning



## The Small Business Guide

Available at [business.wa.gov/guide](https://business.wa.gov/guide)

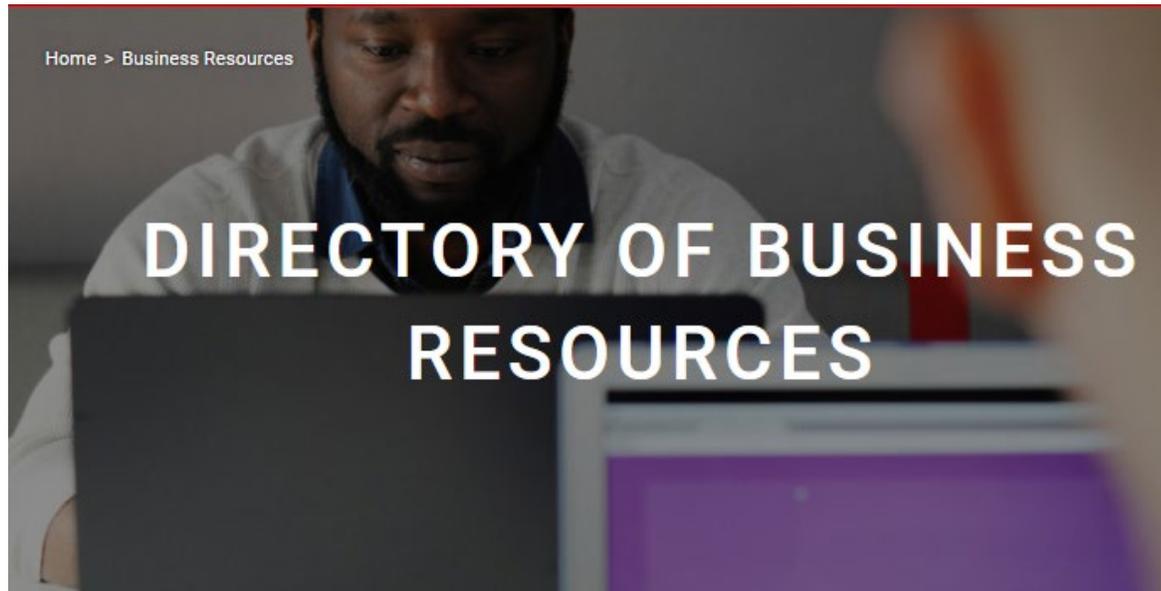


# Step 1: Resources and Planning



## Training and Advising Programs

Listing available at [business.wa.gov/business-resources](https://business.wa.gov/business-resources)



# Step 1: Resources and Planning



## WASHINGTON STATE SMALL BUSINESS LIAISON TEAM

AGENCY	SERVICES	LIAISON
GOVERNOR'S OFFICE FOR REGULATORY INNOVATION & ASSISTANCE	Assistance with local, state, and federal business licensing regulations and environmental permitting.	 Scott Hitchcock <a href="mailto:help@business.wa.gov">help@business.wa.gov</a> 800-917-0043
DEPT. OF LABOR & INDUSTRIES	Regulate Workers Compensation; employment standards & policies; workplace safety & health and Contractor registration.	  Celia Nightingale 360-902-4865 Andrew Bryan 360-902-4730 <a href="mailto:smallbusiness@lni.wa.gov">smallbusiness@lni.wa.gov</a>
DEPT. OF REVENUE	One stop state and city business licensing service, tax account registration, state business excise taxes, reseller permits, and tax incentives/credits.	  Tom Wieland 360-705-6603 <a href="mailto:tomw@dor.wa.gov">tomw@dor.wa.gov</a> Kim Johnson 360-705-6615 <a href="mailto:kimberly@dor.wa.gov">kimberly@dor.wa.gov</a>
EMPLOYMENT SECURITY DEPT.	Regulate Unemployment Insurance, Paid Family Medical Leave, Labor Market information, and Work-Source program.	 Rafael Colon <a href="mailto:smallbusiness@esd.wa.gov">smallbusiness@esd.wa.gov</a> 360-902-9540
SECRETARY OF STATE CORPORATIONS & CHARITIES	Register Corporate Business Entities, Charitable Organizations, Trademarks, and Domestic Partnerships.	 Patrick Reed <a href="mailto:patrick.reed@sos.wa.gov">patrick.reed@sos.wa.gov</a> 360-725-0358
COMMISSION OF HISPANIC AFFAIRS	Improving the development of public policy and government services to the Hispanic Community.	 Nancy Rocha Aguilar <a href="mailto:nancy.rochaaguilar@cha.wa.gov">nancy.rochaaguilar@cha.wa.gov</a> 360-725-5661
COMMISSION OF AFRICAN AMERICAN AFFAIRS	Improving the policies, programs, and services of the African American Community.	 Ed Prince <a href="mailto:ed.prince@caa.wa.gov">ed.prince@caa.wa.gov</a> 360-725-5663
COMMISSION OF ASIAN PACIFIC AMERICAN AFFAIRS	Improve the well-being, education, health, and economic development of the Asian Pacific Americans Community.	 Toshiko Hasegawa <a href="mailto:toshiko.hasegawa@capaa.wa.gov">toshiko.hasegawa@capaa.wa.gov</a> 206-377-9583
DEPT. OF AGRICULTURE	Provide licenses and permits for agricultural products, regulate food safety and compliance with WSDA & USDA.	 Laura Raymond <a href="mailto:lraymond@agr.wa.gov">lraymond@agr.wa.gov</a> 206-256-6157
DEPT. OF COMMERCE	Improve economic development, housing, public safety, international trade, and funding for small businesses.	 Robb Zerr <a href="mailto:robb.zerr@commerce.wa.gov">robb.zerr@commerce.wa.gov</a> 206-256-6111
DEPT. OF ECOLOGY	Provide environmental permitting and certifications, sustain healthy land, air & water; regulate waste and pollution.	 Sharlett Mena <a href="mailto:sharlett.mena@ecy.wa.gov">sharlett.mena@ecy.wa.gov</a> 360-407-7012
DEPT. OF ENTERPRISE SERVICES	Doing business with the state: register to receive bid opportunities, provide contract services to state & local government.	 Shana Barendhand <a href="mailto:shana.barendhand@des.wa.gov">shana.barendhand@des.wa.gov</a> 360-902-7926
WOMEN'S COMMISSION	Address the problems and needs of women, such as discrimination, harassment, compensation and job opportunities and the specific needs of women of color.	 Daniya Baisubanova <a href="mailto:daniya.baisubanova@swsc.wa.gov">daniya.baisubanova@swsc.wa.gov</a> 360-529-7799
DEPT. OF FISH AND WILDLIFE	Fishing and hunting permits, Hydraulic Project Approvals, enforcement regulations to conserve and protect the wildlife.	 Peter Vernie <a href="mailto:peter.vernie@dfw.wa.gov">peter.vernie@dfw.wa.gov</a> 360-902-2302

## The Small Business Liaison Team

Download a directory at:  
[business.wa.gov/liaisons](https://business.wa.gov/liaisons)

Look for this button:





# Step 1: Resources and Planning

## Make a Business Plan

- If you need help making a plan, contact a mentor or advisor, but **don't skip making a business plan.**
- Many business fail within the first 5 years and it is often due to a lack of planning.
- Get started at: [business.wa.gov/plan](https://business.wa.gov/plan)

# Step 2: Form the Business

- Business Structure / Types of Ownership
- Registering with the Secretary of State
- Licensing with the Dept. of Revenue



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# Step 2: Form the Business



## Business Structures / Forms of Ownership

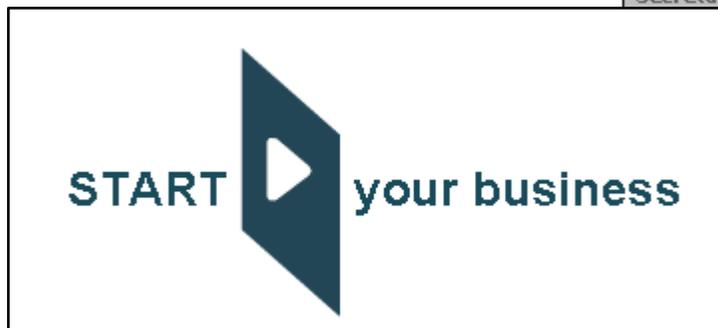
- Sole proprietorship
- General partnership
- Limited liability company
- Corporation
- Other

# Step 2: Form the Business



### 3. Choose a business structure

A business is a legal entity. It can own property, hire employees, and pay taxes. There are different types of business entities with different legal limitations.



- Liability concerns.
- Federal tax implications - [Internal Revenue](#)
- Registration and tax filing requirements and
- Paperwork and entity management considerations

**Sole Proprietorships** are owned by a single person. They are inexpensive to form and there are no ongoing requirements. The owner is personally responsible (liable) for all business debts.

**Limited Liability Companies (LLCs)** are very popular because they offer the liability protection of a corporation, but with fewer governance requirements and less paperwork. They are filed with the state and have a flexible operating agreement.

Washington State Business and Organization Structure Considerations:

Considerations	Sole Proprietorship	General Partnership	Limited Liability Company (LLC)	Corporation
File or register with Washington Secretary of State	No	No	Yes	Yes
Cost to form	Low	Low	Medium	Medium/High
Liability	Sole Proprietor has unlimited liability for debts and taxes.	Partners have unlimited liability for debts and taxes.	Members are not typically liable for debts other than taxes.	Shareholders are not typically liable for debts other than taxes.
Legal Requirements	Relatively few legal requirements.	Relatively few legal requirements.	Some formal requirements such as operating agreements and annual reporting.	Board of directors, annual meetings, annual reporting required.
Management	Sole proprietor has full control of management and operations.	Typically each partner has an equal voice, unless otherwise arranged.	LLCs have an operating agreement that outlines governance and management.	Corporations have bylaws that outline governance. Typically managed by directors who are elected by shareholders.



# Step 2: Form the Business



If your business will be a:

- Corporation
- LLC or any other legal entity
- ✓ **Start with the Secretary of State**



**WASHINGTON**  
Secretary of State

If your business will be a:

- Sole Proprietorship
- Partnership
- ✓ **Start with the Dept. of Revenue**



# Step 2: LLCs & Corporations



## Registering with the Secretary of State

- First create a free individual user account for the Secretary of State's online filing system "CCFS".

### ACCOUNT TYPE



#### Free User Account

This is the most common account to manage subscriptions, create a business, register a charity, and file amendments, annual reports and other documents.

Continue



#### Commercial Registered Agent Listing Statement

Filing Fee is \$30 to register as a Commercial Registered Agent if your nature of business is providing registered agent services as defined in [RCW 23.95.420](#)

Continue

### User Type

\*Select User Type

\*User Type is defined as an Electronic Signature of Contact, Governor, Executor, Incorporator, Director, Officer or General Partner if you are conducting filings for Businesses or Organizations.

Individual

Entity

Continue

# Step 2: LLCs & Corporations



Completing the online registration form

- Create a user account
- Name the entity
- Name governing people
- Name the registered agent

Receive confirmation by email for the business entity within five business days.

A screenshot of the "Corporations and Charities Filing System" website. The page title is "Create or Register a Business". The navigation menu on the left includes: My Dashboard, Order Certificates/Certified Copies, Business Search, Charities Search, Trademark Search, Create or Register a Business (highlighted), Business Maintenance Filings, Reactivate a Business, Charities Filings, Account Preferences, and Logout. The main content area has a heading "CREATE OR REGISTER A BUSINESS" and a prompt: "Please select the appropriate statement regarding the type of business you'd like to form or register." There are two radio button options: "I would like to form a Washington State business." (selected) and "I would like to register a business from a different state or country." Below this is another prompt: "Please select the appropriate business type from the choices below." followed by a dropdown menu labeled "Business Type:\*" with "--Select Business--" as the current selection. At the bottom of the form, there is a checkbox for "Defer Initial Report: I would like to file my initial report at a later time. I acknowledge that an initial report is due within 120 days of the effective date of this formation per RCW 23.95.255." and a green "Continue" button.

# Step 2: Federal Taxpayer Number



- Apply online for a federal identification number for your new entity
- EIN, FEIN, TIN – Employer Identification Number
- No cost
- [IRS.gov](https://www.irs.gov)

A screenshot of the IRS website page titled "Employer ID Numbers". The page features a dark blue header with the IRS logo and navigation links: "File", "Pay", "Refunds", "Credits &amp; Deductions", and "Forms &amp; Instructions". A search bar is located in the top right corner. The main content area is divided into a left sidebar with a table of contents, a central main text area, and a right sidebar with "Related Topics", "Publications", "Forms", and "Video" sections. The table of contents includes categories like "Individuals", "Businesses and Self-Employed", "Charities and Nonprofits", etc. The "Businesses and Self-Employed" category is expanded to show "Employer ID Numbers" as the selected item. The main text area contains an "Alert" box stating that EIN applications must be completed individually, followed by a detailed explanation of what an EIN is and a list of helpful links. A prominent blue button labeled "Apply for an EIN Online" is visible. The right sidebar includes a "Video" section with a link to "EIN Video".



# Step 2: Out of State Business

Are you a business entity registered in another state, but planning to or are doing business in Washington?

- Complete the “Foreign Registration Statement”

A screenshot of the "Corporations and Charities Filing System" website. The page title is "Create or Register a Business". On the left is a green navigation menu with items: My Dashboard, Order Certificates/Certified Copies, Business Search, Charities Search, Trademark Search, Create or Register a Business, Business Maintenance Filings, Reactivate a Business, Charities Filings, Account Preferences, and Logout. The main content area has a heading "CREATE OR REGISTER A BUSINESS" and a prompt: "Please select the appropriate statement regarding the type of business you'd like to form or register." There are two radio button options: "I would like to form a Washington State business." (unselected) and "I would like to register a business from a different state or country." (selected). Below this is another prompt: "Please select the appropriate business type from the choices below." with a dropdown menu labeled "Business Type:\*" and "--Select Business--". A red arrow points from the text "Complete the 'Foreign Registration Statement'" to the selected radio button option.



# Step 3: Get Licenses & Permits

- Licensing wizard
- Create a SAW account
- Licensing questions
- Trade names
- Hiring plans
- Other licenses and permits



# Step 3: Licensing Wizard

## Business Licensing

- Business Licensing Wizard
- [dor.wa.gov/LicenseWizard](https://dor.wa.gov/LicenseWizard)

A screenshot of the Department of Revenue Washington State website. The page is titled "Open a business" and provides information on how to get licensing requirements for a business. It includes a search bar, a navigation menu, and a list of links for more information.

Department of Revenue Washington State

Laws & rules Careers Contact About Log in

Search dor.wa.gov

Home Open a business Manage a business Taxes & rates File & pay taxes Education Forms & publications

Home / Open a business Print

### Open a business

Start here to get licensing requirements for your business.

Answer a few basic questions in our Business Licensing Wizard to get:

- A list of the city, state, and federal licenses your business may need.
- Contact information for each licensing requirement.
- Next steps and forms needed to apply for your Washington State Business License.

Get licensing requirements

Ownership structure Apply for a license

**More information**

- [Small Business Guidance](#)
- [Road map for opening a business](#)
- [Attend a workshop](#)
- [Reseller permits](#)
- [Sales to nonresidents](#)
- [Business licensing FAQs](#)
- [Retirement Marketplace](#)
- [New business information](#)

# Step 3: Licensing



Multiple locations? Mobile business?

- You'll need to provide a physical address for the state business license
  - May be your home
- Most incorporated cities will require you to have a local license to do business in their city
- Use the Wizard to learn requirements

# Step 3: Licensing



## Business Licensing

- Secure Access Washington (SAW) Account

- [dor.wa.gov](http://dor.wa.gov)

The screenshot shows the Washington State Department of Revenue website. At the top, there is a navigation bar with links for "Laws &amp; rules", "Careers", "Contact", "About", and a "Log in" button. A search bar is also present. Below the navigation bar is a main menu with options like "Home", "Open a business", "Manage a business", "Taxes &amp; rates", "File &amp; pay taxes", "Education", and "Forms &amp; publications". A dropdown menu titled "I want to..." is open, listing options such as "Get or renew a license", "File taxes online", "Find a sales and use tax rate", "Look up a business", and "Learn about reseller permits". The main content area features a "Businesses" section with a briefcase icon and a list of services: "Open a business", "Get or renew a business license", "File a return", and "Manage a business account". To the right, there is a "Secure Services for Washington State Dept. of Revenue, Business Licensing Service, and Unclaimed Property" section. This section includes a login form for the Secure Access Washington (SAW) account, with fields for "SAW User ID" and "Password", each with a "Forgot?" link. There is also a "Show Password" checkbox and a "Log in" button. Below the login form, there are links for "New user? Sign up" and "Not sure? Check if you have one". To the right of the login form is a "Businesses" section with a briefcase icon and a list of services: "File a tax return", "Get or renew a business license", "Access a reseller permit", "File UCP holder reports", "Request a tax status letter", "Access secure messages", and "More services", which includes "Express file a no business return" and "Pay a bill".

# Step 3: SAW Account Setup



A screenshot of the SecureAccess Washington login page. The page has a green header with the Seal of the State of Washington on the left and the text "WELCOME to your login for Washington state." on the right. Below the header is a grey navigation bar with the "SecureAccess Washington" logo and three buttons: "SIGN UP!", "GET HELP", and "TIPS ON". The main content area is white and divided into two sections. The left section is titled "LOGIN" and contains a "USERNAME" field, a "PASSWORD" field, and a "SUBMIT" button. Below these fields are links for "Forgot your username?" and "Forgot your password?". The right section is titled "ON BEHALF OF" and features a graphic of the Washington State Capitol building with the text "WASHINGTON STATE AGENCIES" overlaid.

# Step 3: Licensing Questions



## Prepare for online business licensing form questions:

- State Unified Business Identifier number (UBI)
- Ownership structure
- Location info
- Industry info
- Expected revenue
- Business tradename
- Hiring plans

[dor.wa.gov/Apply](https://dor.wa.gov/Apply)

Home / Manage a business / My DOR Help / Renew or update business license / Apply for a new business license

### Apply for a new business license

#### Sole Proprietorship or General Partnership

- ▶ Before you begin
- ▶ Access the business license
- ▶ Tell us about your business
- ▶ Location information
- ▶ Hiring employees
- ▶ State endorsements
- ▶ Review and pay

#### Corporation or Limited Liability Company (LLC)

- ▶ Before you begin
- ▶ Access the application
- ▶ Tell us about your business
- ▶ Location
- ▶ Hiring employees
- ▶ State endorsements
- ▶ Review and pay



# Step 3: Trade Names

## Registering a Trade Name

- When its required
- What it means
- Distinction from trademarks
- Researching names
- Registration cost: \$5 plus the application fee

[dor.wa.gov/TradeNames](http://dor.wa.gov/TradeNames)

### Register trade names

You must register a trade name, or “doing business as” name, per RCW 19.80.10 for:

- A Sole Proprietor or Partnership using a name other than the full legal name of the owner or owners.
- A Corporation, Limited Partnership, or Limited Liability Company operating under a name other than the name registered with the Office of the Secretary of State.
- Any business name you are using that is not your full legal name.

Registering your trade name does not protect the name from use by others. A business can register an unlimited number of trade names.

A trade name will remain registered indefinitely until the owner requests that it be canceled. There is no charge for canceling a trade name.

If you also want to file a trademark or service mark, you may want to consult an [attorney](#). If your business activities will extend beyond Washington State, it may be to your benefit to file for a trademark with the [U.S. Patent and Trademark Office](#). If your business activities will stay within Washington, it may be to your benefit to file for a trademark with the [Secretary of State](#).

#### Find out if a name is already in use

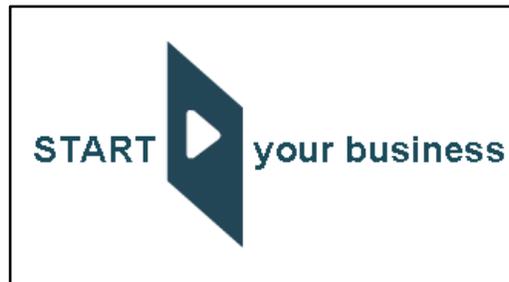
- Our [business lookup](#): General license
- [Secretary of State Corporations Registration Data Search](#): Corporation and limited liability company names.
- [U.S. Patent and Trademark Commission](#): Search for federally registered names.

**Resources**  
Business Licensing Service  
360-705-6741



## Hiring Related Questions

- Will you be using independent contractors?
- Will you hire staff in the next 90 days?
- What type of work will your employees do?
- Will you employ youth?



### 10. Hire employees

- Prepare to hire employees, if needed. Having employees with the right attributes and skills for your business is critical for successful growth. There are resources to help you with employment planning, including [Labor Market Information](#).
- There are also programs to help you find and train qualified employees.
  - [WorkSource](#) can bring you applicants that are skilled and ready to work.
  - Job fairs and [free, online job posting](#) can help increase your pool of applicants.
  - [Tax credits](#) can help lessen the cost of new employees.
  - Options for employee [training assistance](#).
  - [On-the-job training wage subsidies](#).
  - Employee training resources - [Career Bridge](#)
  - [Apprenticeship programs](#)
  - [WorkSource Apprenticeship](#)
  - [Work study employees](#)
- If you noted on the form that you would be hiring employees, information from your Business License Application will be forwarded to the Employment Security Department to set up a state unemployment tax account, and the Department of Labor & Industries to set up a workers' compensation insurance account and issue your minor work permit, if applicable. You will have quarterly filing responsibilities with both agencies, plus the IRS (see the [RUN Your Business](#) chapter of the Small Business Guide).
- Every new employee will need to complete the federal [I-9 Employment Eligibility Verification Form](#) within three days of hire, and the internal Revenue Service (IRS) [W-4 Form](#).
- You'll also need to report each newly hired and rehired employee through the Department of Social and Health Services [New Hire Reporting Program](#) within 20 days of hire. Reporting is done through a secure web portal, [Secure Access Washington \(SAW\)](#). If you don't already have a SAW account, you'll have to create one prior to doing your first reporting. To report, you'll need information from the employee's W-4 Form plus the hire date and the birth date.

# Step 3: Hiring Plans



## Independent Contractors

- Strict laws define “employee” vs “independent contractor”
- An independent contractor should:
  - Have a contract
  - Be a fully licensed and tax-reporting business
  - Keep good business financial records
  - Have multiple clients
  - Work away from one of your locations
  - Do something different from what you do



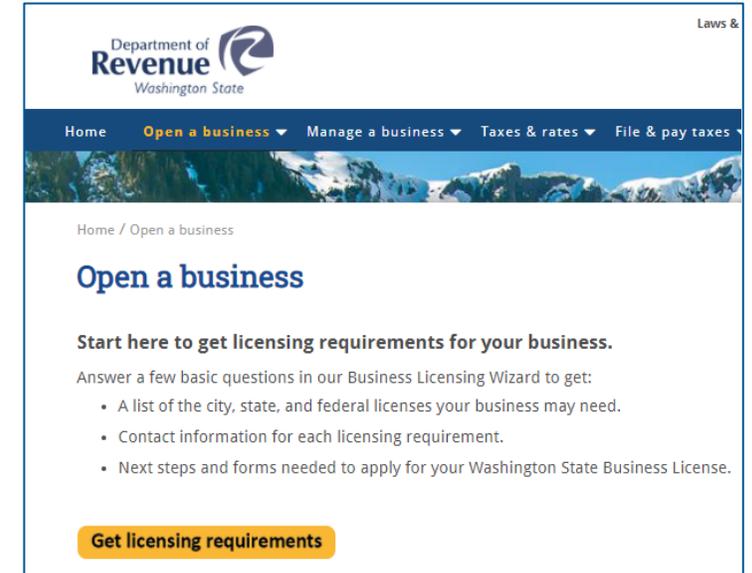
[LNI.wa.gov/IndependentContractor](http://LNI.wa.gov/IndependentContractor)

# Step 3: Other Licenses & Permits



## Other licenses and permits

- Professional licenses
- Contractor registration
- County health department permits
- Liquor and cannabis licenses
- Building permits (city or county)
- Etc.



*Business Licensing Wizard*

# Step 4: Tax & Reporting Requirements



## Typical State Business Taxes

- Business and occupation tax (B&O)
- Sales tax
- Use tax
- Real and personal property tax
- If you have employees:
  - State unemployment tax
  - Paid family & medical leave
  - Workers' compensation insurance premiums



## 2. State business taxes

Washington State does not have a personal or business income tax. Instead, its tax structure includes the Business & Occupation Tax, sales and use taxes, property taxes, and a variety of industry-specific taxes. The Washington [Department of Revenue](#) (DOR) administers over 60 different taxes.

Most small businesses need to [file an excise tax return](#) with DOR. Your tax [filing frequency](#), assigned after you submit your Business License Application, is based on an estimate of the amount of tax you will owe. If you are assigned a monthly or quarterly filing frequency, then you are required to file your taxes electronically using [E-file](#), DOR's online filing system, and pay electronically using one of several payment options. For assistance with E-file registration and filing, call 1-877-345-3353. If you are unable to file electronically, you can request a [waiver](#). State taxes include:

- [Business and Occupation \(B&O\) tax](#) – This is a tax on the business' gross revenue. In addition to the state B&O tax, many cities and towns also impose local B&O taxes (see below).
- [Sales tax](#) – Businesses collect sales taxes from customers on the sale of most retail products, construction activities, and some services.
- [Use tax](#) – Use sales tax applies when businesses make purchases without paying sales tax, such as internet purchases or purchases made in Oregon.
- [Real and Personal Property Taxes](#) – Businesses pay a property tax based on the value of real estate, buildings and other structures, furnishings, equipment and other assets. Property tax is collected by counties rather than by DOR.
- [Industry-specific taxes](#) – There are a variety of taxes that apply to specific industries, such as hotel/motel, rental cars, cigarettes, etc. Click the heading to see if any specific taxes apply to your business.

Because sales tax is destination-based, businesses that collect sales tax must charge the tax rate of the location where the product or service was delivered. DOR has a [look-up tool](#) to determine tax rates and the location code.

DOR provides New Business Tax Workshops throughout the state during the year. Below are links to additional information and tools provided by DOR to assist in tax calculation and reporting:

- [New Business Tax Basics](#)



# Step 4: State Tax Basics



## Business & occupation (B&O) tax

- Based on gross receipts
- Most common: Retailing, Wholesaling, and Service & Other Activities
- You may need to report under multiple classifications, depending on your specific business activity
- No deduction for expenses or costs of doing business.
- Some deductions are available, such as out of state sales.
- B&O is a tax on business, you can't "add this" on to the product/service price as a separately stated item (like we do for sales tax)

## Public utility tax (PUT)

- Most common: transporting people/products, communications, utilities

# Step 4: Business & Occupation Tax



We have tools to help you determine what classification applies to your business:

The screenshot shows the Department of Revenue website. At the top is the logo and a search bar. A navigation menu includes "Home", "Open a business", "Manage a business", "Taxes & rates", "File & pay taxes", "Education", and "Forms & publications". The main content area has a breadcrumb trail: "Home / Open a business / Apply for a business license / Plan for taxes / Tax classifications for common business activities". The title is "Tax classifications for common business activities". Below the title is a paragraph explaining that the list provides general guidelines for Excise Tax Returns. Another paragraph notes that multiple activities may require multiple classifications. A table follows with three columns: Business Activity, Tax Classification, and Rules/Laws. The table lists activities like Accounting, Actuarial, Advertising Agencies, and Retailing with their respective tax classifications and legal references.

Department of Revenue  
Washington State

Search dor.wa.gov

Home Open a business Manage a business Taxes & rates File & pay taxes Education Forms & publications

Home / Open a business / Apply for a business license / Plan for taxes / Tax classifications for common business activities

## Tax classifications for common business activities

The following is a list of common business activities and which tax classifications to use on the Excise Tax Return. It provides general guidelines, not specific reporting instructions.

If you conduct multiple business activities, it may be necessary to report under more than one tax classification. Specific activities, such as cigarette sales, may also be subject to other taxes.

If you have questions, [contact us](#) or visit your [local Revenue office](#).

Business Activity	Tax Classification	Rules/Laws
Accounting, Bookkeeping, Tax Preparation	Service & Other Activities B&O	WAC 458-20-224
Actuarial	Service & Other Activities B&O	WAC 458-20-224
Advertising Agencies	Service & Other Activities B&O	WAC 458-20-218
	Retailing B&O, Retail Sales Tax, Service & Other Activities B&O	WAC 458-20-183; RCW 82.04.050

- [dor.wa.gov/CommonBusinessActivities](https://dor.wa.gov/CommonBusinessActivities)
- [dor.wa.gov/IndustryGuides](https://dor.wa.gov/IndustryGuides)

# Step 4: Sales & Use Taxes



Sales & use taxes apply to:

- Tangible personal property and digital products.
- Services (for example)
  - Installing, repairing, cleaning, altering or improving tangible personal property
  - Lawn maintenance
  - Amusement, recreational, and physical fitness activities

The selling price must be separately stated on the bill. Sales tax is also due on shipping and handling charges.



# Step 4: Sales & Use Taxes

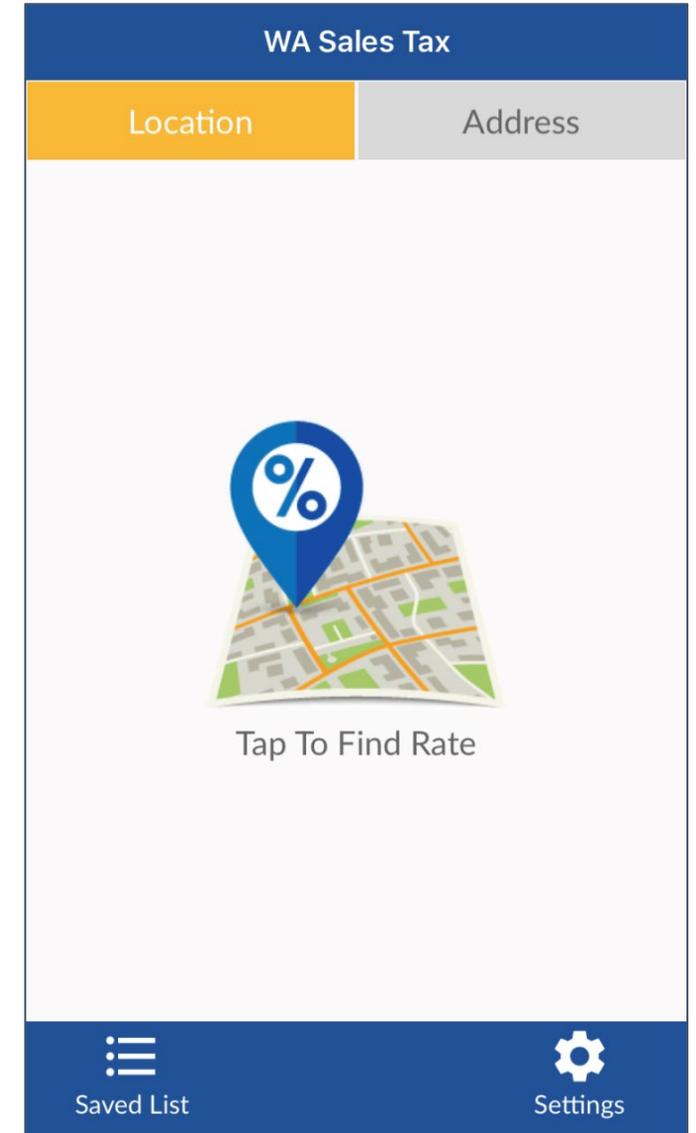


What is the rate?

- State portion .065
- Local portion
  - Varies; boundaries do not follow zip codes or often not even municipal boundaries
  - Local tax rate charged is based on delivery point for goods or services
  - We have well over 350 local tax codes

**But don't worry – we have an app for that!**

We also have several tools on our website.





# Step 4: Real & Personal Property Taxes

## Real & Personal Property Taxes

- Applies to personal property used in conducting business
- County assessors and treasurers administer
- By April 30 of each year, businesses must complete and file a Personal Property Listing Form with the county assessor.

[dor.wa.gov/CountyContacts](http://dor.wa.gov/CountyContacts)

Home / Find taxes & rates / Property tax / County assessor and treasurer websites Print

### County assessor and treasurer websites

**Note:** Property tax is administered by local governments. County assessors value and assess the tax and county treasurers collect it. For questions about paying your property tax or your property valuation, please contact your local county officials.

County	Assessor	Treasurer
ADAMS	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
ASOTIN	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
BENTON	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
CHELAN	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
CLALLAM	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
CLARK	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
COLUMBIA	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
COWLITZ	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
DOUGLAS	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
FERRY	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
FRANKLIN	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
GARFIELD	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
GRANT	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
GRAYS HARBOR	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
ISLAND	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
JEFFERSON	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
KING	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
KITSAP	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
KITTITAS	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
KLICKITAT	<a href="#">Assessor</a>	<a href="#">Treasurer</a>
LEWIS	<a href="#">Assessor</a>	<a href="#">Treasurer</a>

# Step 4: Employment Taxes



- **State Unemployment Taxes - 2023**
  - Calculated by multiplying the taxable wages (gross pay up to a maximum amount) by the tax rate.
  - Don't have to pay on wage amounts above the taxable wage limit of \$67,600 per employee (2023) but wages above the limit must be reported.
- **Paid Family & Medical Leave 2023 premiums**
  - If more than 50 employees, total premium rate is 0.8%
  - Employees pay most of the premium.
  - Withholding from employees 72.76% / employers 27.24%
- **Workers' Compensation Insurance Premiums**
  - Employers pay the majority of an hourly rate of \$0.17-\$17.00, based on the job classification
  - Employees pay a part of it

- Quarterly [941 Forms](#) report gross wages and federal taxes (income, social security and Medicare). They are due to the IRS by April 30, July 31, October 31 and January 31 for the preceding calendar quarters.
- [W-2 Forms](#) report wages and withholdings for the calendar year. They must be provided to each employee by January 31 of the following year.
- [W-2 Forms](#) and the accompanying [W-3](#) transmittal form are due to the Social Security Administration by February 28 of the following year.
- Annual [940 Forms](#) report federal unemployment taxes. They are due to the IRS by January 31 for the preceding calendar year. The tax rate for most employers is 0.6% of the first \$7,000 each worker earns, up to a maximum of \$42 per employee. For very small employers, these payments may be made at the time of annual filing but larger employers are required to make payments quarterly. See the IRS [Employer's Tax Guide](#) for more information.

## 5. State employment taxes

- [Unemployment taxes](#) are due quarterly to the Employment Security Department (ESD). Reporting and payment is generally done on-line. Due dates are April 30,

## Run your business, Section 5



# Step 4: Employment Taxes



Requirement (in order of action timing)	Purpose	Action	Agency
<u><a href="#">Workers' compensation premium report</a></u> (1 each calendar quarter per employer)	Workers' compensation insurance for medical costs and wage replacement if injured on the job.	Complete and pay online at <a href="http://www.lni.wa.gov">www.lni.wa.gov</a> (due 4/30, 7/31, 10/31, 1/31)	WA Dept. of Labor & Industries
<u><a href="#">State unemployment tax report</a></u> (1 each calendar quarter per employer)	Unemployment benefits for employees who lose their jobs.	Complete and pay online at <a href="http://esd.wa.gov">esd.wa.gov</a> (due 4/30, 7/31, 10/31, 1/31)	WA Employment Security Dept.
<u><a href="#">Paid Family and Medical Leave report</a></u>	Paid leave for employee to care for themselves or their family	Complete and pay online at <a href="http://paidleave.wa.gov">paidleave.wa.gov</a> (due 4/30, 7/31, 10/31, 1/31)	WA Employment Security Dept.

# Step 4: Employment Taxes



- Business owners are exempt from Washington employment taxes if they are:
  - Sole proprietors
  - General partners in a partnership
  - LLCs – If designated as:
    - “Member-managed” – all members on record are exempt
    - “Manager-managed” – only managing members are exempt
  - Corporations
    - May exempt up to 8 officers if they are shareholders and they exercise substantial control in daily management of the corporation
    - If a family corporation, all officers are exempt if they are related within the 3<sup>rd</sup> degree
  - Note – spouses and other family members of LLCs and Corporations are exempt only if they meet the above requirements
- Business owners can choose to participate in Paid Family & Medical Leave and Workers’ Compensation Insurance.

# Step 5: Learn Employer Requirements



- Hiring employees
- New hire reporting
- Employer requirements
- Employer services

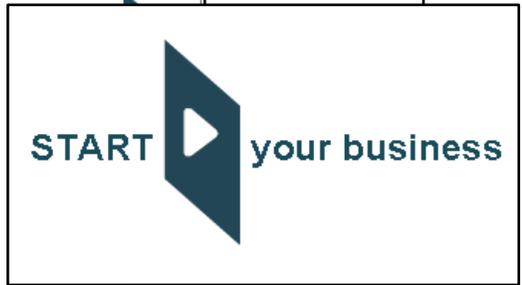
# Step 5: Hiring Employees



- If you want your business to be certified as a [woman, minority or economically disadvantaged business](#), or a [veteran-owned business](#), complete the certification paperwork.

## 10. Hire employees

- Prepare to hire employees, if needed. Having employees with the right attributes and skills for your business is critical for successful growth. There are resources to help you with employment planning, including [Labor Market Information](#).
- There are also programs to help you find and train qualified employees.
  - [WorkSource](#) can bring you applicants that are skilled and ready to work.
  - Job fairs and [free, online job posting](#) can help increase your pool of applicants.
  - [Tax credits](#) can help lessen the cost of new employees.
  - Options for employee [training assistance](#).
  - [On-the-job training wage subsidies](#).
  - Employee training resources - [Career Bridge](#)
  - [Apprenticeship programs](#)
  - [WorkSource Apprenticeship](#)
  - [Work study employees](#)
- If you noted on the form that you would be hiring employees, information from your Business License Application will be forwarded to the Employment Security Department to set up a state unemployment tax account, and the Department of Labor & Industries to set up a workers' compensation insurance account and issue your minor work permit, if applicable. You will have quarterly filing responsibilities with both agencies, plus the IRS (see the [RUN Your Business](#) chapter of the Small Business Guide).
- Every new employee will need to complete the federal [I-9 Employment Eligibility Verification Form](#) within three days of hire, and the Internal Revenue Service (IRS) [W-4 Form](#).
- You'll also need to report each newly hired and rehired employee through the Department of Social and Health Services: [New Hire Reporting Program](#) within 20 days of hire. Reporting is done through a secure web portal, [Secure Access](#)



### Labor Law

- [Wage and hour laws \(such as minimum wage, overtime, breaks, etc.\)](#)
- [Workplace poster requirements](#)
- [Employment of minors](#)
- [Non-Discrimination Laws](#)
- [Independent contractors \(Labor & Industries\)](#)
- [Independent contractors \(Employment Security\)](#)
- [Independent contractors \(IRS\)](#)
- [Workplace safety](#) (including required written accident prevention program)
- [Federal payroll taxes](#)
- [Child Support Withholding Laws](#)
- Restrictions on [noncompete agreements](#), [salary history](#), and [salary secrecy](#)
- [Isolated worker protection](#)
- [Changes to Overtime Rules](#)

### Worker Benefits

- [State unemployment taxes](#)
- [Workers' compensation insurance](#)
- [Washington Health Benefit Exchange](#)
- [Washington Health Plan Finder](#)
- [Paid Sick Leave](#)
- [Paid Family and Medical Leave](#)
- [Other Types of Leave](#)

# Step 5: New Hire Reporting



## New Hire Reporting

### Program Information

Washington state law **RCW 26.23.040** requires employers to report **all** newly and rehired (not worked for you for at least 60 consecutive days) employees regardless of age, gender or the number of hours worked within 20 days of hire. If reporting for the first time, only report employees hired since your last quarterly report to Employment Security Department as **DCSOnline** only accepts reports with a date of hire no more than one year in the past and 90 days in the future. You can find information on how to set up a DCSOnline account on our **Employer Educational Materials** page.

For more information check out the **Introduction to New Hire Reporting**, watch our video in **English** or **Spanish** or browse our **Frequently Asked Questions**.



### What to Report

When reporting new hires, you will need the following information about your employees and company:

### Employee Information:



## My Secure DSHS

With one login you can access multiple Washington state government services.

Please login to access this service.

User ID:   
Password:

LOGIN

Forgot your User ID?  
Forgot your password?  
Activate your account?



- Employers:**
- Report newly hired or rehired employees
  - Make child support payments electronically (Required as of January 1, 2019)
- Parents:**
- View or make child support payments
  - Get notified when a child support payment is received
  - Authorize direct deposit to receive child support
  - Request a DCS Debit Card to receive child support
  - Set up reminders for payments that are due
- Medical Premium Payers:**
- Children's Health Insurance Program (CHIP)
  - Healthcare for Workers with Disabilities (HWD)

### New User?

Check to see if you already have an User ID.

Sign up

[dshs.wa.gov/esa/division-child-support/new-hire-reporting](https://dshs.wa.gov/esa/division-child-support/new-hire-reporting)

# Step 5: Learn Employer Requirements



## Some Employment Laws

*\* indicates for 2023*

- Independent contractors *(must meet requirements or they're employees)*
- Minimum wage *(\$15.74/hr\*)* & overtime required
- Youth employment *(permit, form & restricted duties if under 18)*
- Breaks & meal periods required
- Safety & health *(must have written safety plan and follow other rules)*
- Employee leaves *(paid sick leave required)*
- Isolated worker protections *(panic button & training required)*
- Non-compete agreements *(only if pay at least \$116K/yr\*)*
- Can't restrict outside employment *(unless pay at least \$31.50/hr\*)*
- Equal employment opportunity *(can't discriminate)*
- Equal pay & opportunities *(can't ask about salary history or prohibit sharing of salary information)*
- Workplace posters required
- Employment related recordkeeping *(must keep detailed time, pay & other records for 3+ yrs)*



# Step 5: Employer Requirements



To learn more about employer requirements, attend this webinar.

Register at:

[LNI.wa.gov/training](http://LNI.wa.gov/training)

## *L&I Essentials for Business*

Presented by: Andrew Bryan  
Asst. Small Business Liaison  
smallbusiness@lni.wa.gov | 800-987-0145



Small Business Office

# Step 5: Employer Services



[esd.wa.gov/employer-taxes](https://esd.wa.gov/employer-taxes)

## Unemployment taxes

Understand how recent legislation has affected your 2022 tax rate.

If you have employees working in Washington, you likely must pay unemployment taxes on their wages in this state. Tax reports or tax and wage reports are due quarterly. Liable employers must submit a tax report every quarter, even if there are no paid employees that quarter and/or taxes are unable to be paid.

- Visit the forms and publications library for required unemployment tax forms
- Learn about reimbursable employers.
- Browse messages and updates on employer account charges.

### Employer tips and information

Register your business/hire employees | Unemployment tax handbook regulations | Frequently asked questions | Contact information by type

### On this page:

- Filing wage reports and paying unemployment taxes
- Unemployment tax rates
- Penalties
- Who and what to report
- Unemployment Insurance is a federal-state partnership
- Audits

[esd.wa.gov/about-employees#business-services](https://esd.wa.gov/about-employees#business-services)

### WorkSource business services

WorkSource is a partnership of organizations, including the Employment Security Department, that is committed to developing a workforce with the skills your business needs.

Our business solutions professionals can help you make connections to grow and sustain your business, including:

- Workforce planning.
- Labor market data
- Online recruitment tools at WorkSourceWA.com.
- Staffing resources, including job fairs and hiring events.
- Tax incentives.
- Worker training.

[esd.wa.gov/about-employees](https://esd.wa.gov/about-employees)

The screenshot shows the Employment Security Department website. The header includes the logo and navigation links: Home, Unemployment, Paid Leave, Jobs & Training, Unemployment Taxes, Employer Resources, Labor Market Info, and Newsroom. A search bar and language selector (English | Español) are also present. The main content area features a section titled 'Employer resources' with a sub-section 'About employees menu' containing links like 'FREQUENTLY USED LINKS', 'The SharedWork Program', 'Work Opportunity Tax Credit (WOTC)', 'The H-2A Program', 'Business layoff assistance', 'YesVets', and 'Employer and collections FAQ'. Below this is a 'FORMS' section with links to 'SharedWork forms and media library', 'Employer resources forms and publications library', 'WOTC pre-screening form (IRS form 8850) (PDF)', 'WOTC individual characteristics form (ETA form 9061) (PDF)', and 'Paid Family and Medical Leave employer forms'. A large image of a woman is featured next to the 'Employer resources' heading. Below the image, there is a section for 'On this page' with links to 'COVID-19 Response', 'Return to work', 'Forms and publications library', 'Paid Family and Medical Leave', 'WorkSource business services', 'Reduction in staff', 'Employer information', and 'Small business resources'. A 'Get information delivered to you' section encourages newsletter sign-ups. A 'COVID-19 response' section is highlighted with an orange background, containing text about emergency rules.

ers thanks to careful stewardship of public funding and to watch this video on WorkSourceWA.com and WorkSource account | Post a job | Watch the WorkSourceWA.com Solutions Professional | WorkSource frequently asked

### Job resources

Advertise your jobs for free  
Search for talent  
Hire a veteran  
Contact a business solutions professional  
Find information on the H-2A agricultural program

### Employee skill development and other resources

- On the job training (OJT)
- Apprenticeship programs

## Training & Advising Programs

Listing available at [business.wa.gov/business-resources](https://business.wa.gov/business-resources)



- SCORE

[score.org](https://score.org)



- Small Business Development Center

[wsbdc.org](https://wsbdc.org)



- Women's Business Centers

[sba.gov](https://sba.gov)



- Various Microenterprise Development Organizations

[wamicrobiz.org](https://wamicrobiz.org)



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**WASHINGTON**  
Secretary of State

**Corporations & Charities Division**  
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Washington State Department of  
**Labor & Industries**

**Celia Nightingale, Andrew Bryan & Andrea Muñoz**  
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