



WASHINGTON
Secretary of State



**Employment
Security
Department**
WASHINGTON STATE



GOVERNOR'S OFFICE
**FOR REGULATORY
INNOVATION & ASSISTANCE**



Washington State Department of
Labor & Industries

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 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



Step 1: Resources and Planning

The Small Business Guide

Available at business.wa.gov/guide



Plan your business

Are you considering starting a business? Starting a business is a big decision. If you've never owned a business before, you may be unaware of all the things you need to do to get your business going. Careful planning and research will improve your chances of success.

Business training

You don't need a degree in business to start one, but knowledge is power. Taking classes and attending workshops are excellent ways to gain the knowledge you will need to be successful.

Business planning

Writing a comprehensive business plan is the first step in starting a business. Your business plan will guide you as you make your business a reality, and it will help you avoid costly mistakes.

[Learn more](#)



Step 1: Resources and Planning

Training and Advising Programs

Listing available at business.wa.gov/business-resources



The screenshot shows the BUSINESS.WA.GOV website. The header includes the logo "BUSINESS.WA.GOV Small Business Guidance" and navigation links: "Small Business Guide", "Workshops", "Resources", "Business Checklists", "About Us", and "Contact Us". A dropdown menu for "Resources" is open, showing "Economic & Business Resilience Newsletter", "Technical Assistance", and "Loan and Grant Programs". The main content area is titled "Directory of Business Resources" and features three categories: "Nonprofit Resources", "State Resources", and "Federal Resources".



Step 1: Resources and Planning

The Small Business Liaison Team

Download a directory at:
business.wa.gov/liaisons

Look for this button:

Download Liaison Contact List



SMALL BUSINESS LIAISON TEAM



Mission:

We link entrepreneurs and small businesses to Washington state agencies by providing free and accessible services that will help YOU succeed.

Vision:

We envision Washington state being the best place to do business.

Values:

We are listening to businesses, then driving action to make it easier to do business in the state of Washington.

Who are the Liaisons?

Governor's Office for Regulatory Innovation and Assistance Services: Assistance with local, state, and federal business licensing regulations and environmental permitting. Hugo Nicolas (360) 584-2698 hugo.nicolas@gov.wa.gov	Commission of African American Affairs Services: Improving the policies, programs, & services of the African American Community. Ed Prince (360) 725-5663 ed.prince@caa.wa.gov
Dept. of Labor & Industries Services: Regulate Workers Compensation; employment standards & policies; workplace safety & health; & Contractor registration. Andrea Munoz 1-800-987-0145 Andrew Bryan 1-800-987-0145 smallbusiness@dlr.wa.gov	Commission of Asian Pacific American Affairs Services: Improve the well-being, education, health, & economic development of the Asian Pacific Americans Community. Toshiko Hasegawa (206) 377-4563 toshiko.hasegawa@capaa.wa.gov
Dept. of Revenue - Business Licensing Service Services: One-stop state & city business licensing services. Kim Johnson (360) 705-6613 kimberly@dor.wa.gov	Liquor & Cannabis Board Services: Regulate licensing and permitting services for Liquor, Cannabis, Tobacco, and Vapor products. Beth Lehman (360) 564-1762 beth.lehman@lcb.wa.gov Mozzie Jones (360) 564-1728 mozzie.jones@lcb.wa.gov
Dept. of Revenue - Other Services: Tax account registration, state business excise taxes, reseller permits, & tax incentives/credits. Tom Wieland (360) 705-6603 tomiw@dor.wa.gov	Minority & Women Business Enterprises Services: Certification as a business owned by a minority, woman, or disadvantaged individual for federal and state contracting. Linked Deposit Loan Program and Supplier Diversity. Curtis Bennett (360) 791-0878 curtisbennett@wbe.wa.gov Tim Kieny (360) 704-8449 tink@wbe.wa.gov
Employment Security Dept. Services: Regulate Unemployment Insurance, Paid Family Medical Leave, Labor Market Information, & Work-Source program. Rafael Colon (360) 902-8540 smallbusiness@esd.wa.gov	Secretary of State - Corporations & Charities Services: Register Corporate Business Entities, Charitable Organizations, Trademarks, and Domestic Partnerships. Corps (360) 725-0377 corps@sos.wa.gov www.sos.wa.gov/corporations
Dept. of Enterprise Services Services: Doing business with the state; register to receive bid opportunities; provide contract services to state & local government. Shana Barehand (360) 407-7926 shana.barehand@des.wa.gov	Washington Health Benefit Exchange Services: operates WA Healthplanfinder, where individuals and families can get health insurance and access to state and federal subsidies to lower costs. Marie Cooper (360) 688-1348 Marie.Cooper@WAHBExchange.org
Dept. of Commerce Services: Improve economic development, housing, public safety, international trade, & funding for small businesses. Lynn Longan (360) 490-1950 lynn.longan@commerce.wa.gov	Dept. of Fish & Wildlife Services: Fishing & hunting permits, Hydraulic Project Approvals, enforcement regulations to conserve & protect the wildlife. Peter Vernie (360) 902-2302 peter.vernie@dfo.wa.gov
	Dept. of Health Services: Provide public health & safety education, vital records certificates, health care licensing, & enforcement. Erin Brewster (360) 868-1348 erin.brewster@doh.wa.gov

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



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

Small-Business Guide
WASHINGTON STATE



3. Choose a business structure

A business is a legal entity. It can own property, hold bank accounts and is required to pay taxes. There are different types of business entities, each with unique benefits and limitations.

START  **your business**

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

Sole Proprietorships are owned by a single person or a married couple. These businesses are inexpensive to form and there are no special reporting requirements. The owner is personally responsible (liable) for all business debts and for federal taxes.

Limited Liability Companies (LLCs) are

Structure Considerations:

	Limited Liability Company (LLC)	Corporation
	Yes	Yes
	Medium	Medium/High
	Members are not typically liable for debts other than taxes.	Shareholders are not typically liable for debts other than taxes.
	Some formal requirements such as operating agreements and annual reporting.	Board of directors, annual meetings, annual reporting required.
	LLCs have an operating agreement that outlines	Corporations have bylaws



Step 2: Form the Business

If your business will be a:



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

If your business will be a:



- Sole Proprietorship
- General 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

1

Create a User Account

Create a user account to manage subscriptions, create a business, register a charity, and file amendments and other filings.

This Website Supports

VISA MasterCard AMERICAN EXPRESS

CCFS Web Browser Supports

2

3

Customer Login

Please enter your User ID and Password

User ID

Password

☐ Remember Me

In

r ID

SMALL BUSINESS LIAISON TEAM



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.

The screenshot shows the 'Corporations and Charities Filing System' interface. On the left is a green navigation menu with options: 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 is titled 'Create or Register a Business' and contains a form with the following elements:

- A header bar with the text 'CREATE OR REGISTER A BUSINESS'.
- A prompt: 'Please select the appropriate statement regarding the type of business you'd like to form or register.'
- Two radio button options:
 - ☒ I would like to form a Washington State business.
 - ☐ I would like to register a business from a different state or country.
- A prompt: 'Please select the appropriate business type from the choices below.'
- A dropdown menu for 'Business Type:' with the placeholder text '--Select Business--'.
- A checkbox option: ☐ 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.
- A green 'Continue' button at the bottom right.



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)

The screenshot shows the IRS website's 'Employer ID Numbers' page. The top navigation bar includes links for File, Pay, Refunds, Credits & Deductions, and Forms & Instructions. A search bar is located on the right. The main heading is 'Employer ID Numbers'. Below this, there are language options: English, Español, 中文(简体), 中文(繁體), 한국어, Русский, Tiếng Việt, and Kreyòl ayisyen. A left sidebar lists various topics under 'Individuals' and 'Businesses and Self-Employed'. The 'Businesses and Self-Employed' section is expanded, showing 'Employer ID Numbers' as the selected topic. An 'Alert' box states: 'You must complete each EIN application individually instead of using any automated process.' The main content area explains that an EIN is also known as a Federal Tax Identification Number and is used to identify a business entity. It mentions that businesses need an EIN and that it is a free service offered by the Internal Revenue Service. A list of links provides further information, including 'Do You Need a New EIN?', 'How to Apply for an EIN', 'How Long Will it Take to Get a Number?', 'Lost or Misplaced Your EIN?', 'How EINs are Assigned and Valid EIN Prefixes', 'Canceling an EIN - Closing Your Account', 'What to Do if You're Assigned an EIN You Did Not Request', 'Who is a Responsible Party?', and 'Report EIN Identity Theft'. A blue button labeled 'Apply for an EIN Online' is prominently displayed. Below the button, it encourages users to check out the interview-style online EIN application, noting that no Form SS-4 is needed. It describes the application process, including asking questions, receiving help topics, and downloading the confirmation notice. At the bottom, it states that all EIN applications (mail, fax, electronic) must display the taxpayer's Social Security Number (SSN).

IRS File Pay Refunds Credits & Deductions Forms & Instructions Search

Employer ID Numbers

English | Español | 中文(简体) | 中文(繁體) | 한국어 | Русский | Tiếng Việt | Kreyòl ayisyen

Individuals

- Businesses and Self-Employed
 - Small Business and Self-Employed
 - Employer ID Numbers**
 - Business Taxes
 - Reporting Information Returns
 - Self-Employed
 - Starting a Business
 - Operating a Business
 - Closing a Business
 - Industries/Professions
 - Small Business Events
 - Online Learning
 - Large Business
 - Corporations
 - Partnerships
- Charities and Nonprofits
- International Taxpayers

Alert

You must complete each EIN application individually instead of using any automated process.

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN. You may apply for an EIN in various ways, and now you may [apply online](#). **This is a free service offered by the Internal Revenue Service and you can get your EIN immediately.** You must check with [your state](#) to make sure you need a state number or charter.

- [Do You Need an EIN?](#)
- [Do You Need a New EIN?](#)
- [How to Apply for an EIN](#)
- [How Long Will it Take to Get a Number?](#)
- [Lost or Misplaced Your EIN?](#)
- [How EINs are Assigned and Valid EIN Prefixes](#)
- [Canceling an EIN - Closing Your Account](#)
- [What to Do if You're Assigned an EIN You Did Not Request](#)
- [Who is a Responsible Party?](#)
- [Report EIN Identity Theft](#)

Apply for an EIN Online

Check out our interview-style online EIN application. No need to file a Form SS-4! We ask you the questions and you give us the answers. The application includes embedded help topics and hyperlinked keywords and definitions so separate instructions aren't needed. After all validations are done you will get your EIN immediately upon completion. You can then download, save, and print your confirmation notice. It's fast, free, and user-friendly!

All EIN applications (mail, fax, electronic) must display the taxpayer's Social Security Number (SSN).

Related Topics

- [Taxpayer Identification Numbers \(TIN\)](#)

Publications

- [Publication 1635, Employer Identification Number Understanding Your EIN \(PDF\)](#)

Forms

- [About Form 8822-B, Change of Address or Responsible Party - Business](#)

Video

- [EIN Video](#)



Step 2: Misc. Reports & Misleading Notifications

Review the website for information and questions specific to the report

- www.fincen.gov/boi



Misleading Notifications

- www.sos.wa.gov/corporations

Most Recent Misleading Notice

This Notice example was brought to our office 11/08/2024 and unlike other solicitations listed below, it does not let the customer know they can file with our office. This notice is NOT from our office and is misleading and might not contain accurate information.

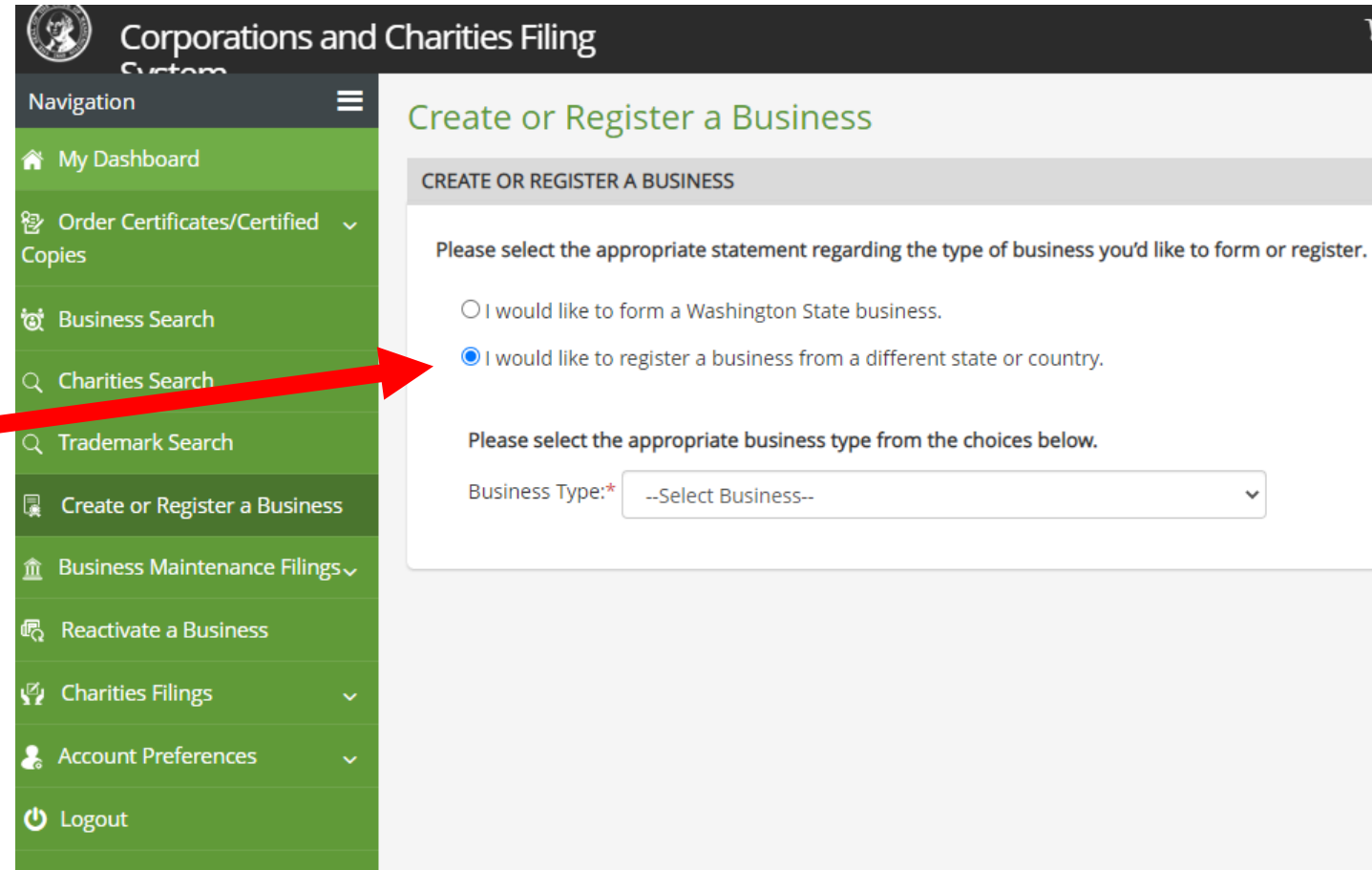
Billing Summary	
Business Entity Default Fee	\$180
Annual Report Filing Fee	+ \$50
State of Washington Tax	\$0.00
Total Amount Due	\$230
By 11-15-2024	



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”



Corporations and Charities Filing System

Navigation

- 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
- Logout

Create or Register a Business

CREATE OR REGISTER A BUSINESS

Please select the appropriate statement regarding the type of business you'd like to form or register.

☐ I would like to form a Washington State business.

☒ I would like to register a business from a different state or country.

Please select the appropriate business type from the choices below.

Business Type:*



Step 3: Get Licenses & Permits



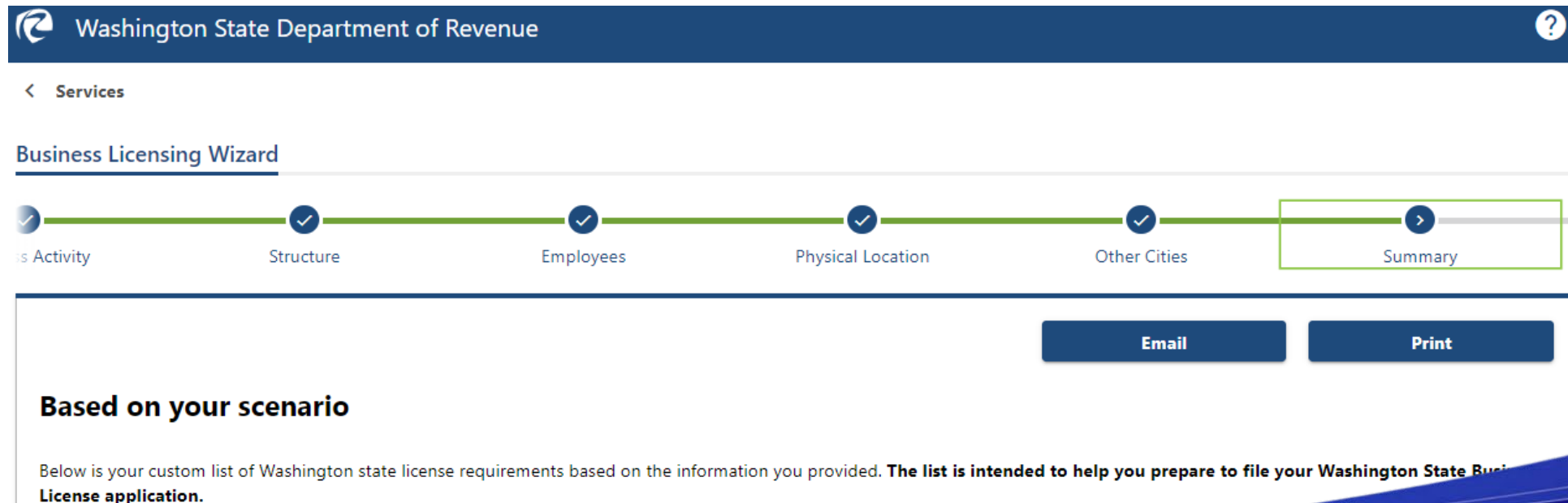
- Licensing wizard
- Licensing questions
- Trade names
- Hiring plans
- Create a SAW account
- Other licenses and permits



Step 3: Licensing Wizard

Access the Business Licensing Wizard at:

- dor.wa.gov/licensewizard



The screenshot shows the Washington State Department of Revenue's Business Licensing Wizard. The header includes the department's name and a help icon. Below the header, a breadcrumb trail shows 'Services' and 'Business Licensing Wizard'. A progress bar indicates the current step is 'Summary', with previous steps marked as complete. Navigation buttons for 'Email' and 'Print' are visible. The main content area is titled 'Based on your scenario' and contains a paragraph of text.

Washington State Department of Revenue

< Services

Business Licensing Wizard

Business Activity Structure Employees Physical Location Other Cities Summary

Email Print

Based on your scenario

Below is your custom list of Washington state license requirements based on the information you provided. The list is intended to help you prepare to file your Washington State Business License application.



Step 3: Licensing Questions

What you will need before you apply:

- Ownership structure
- UBI number
- Location information
- Business activities
- Estimated revenue
- Business tradename
- Hiring plans

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

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



Step 3: Hiring Plans

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 hire minors?



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 need to create one prior to doing your first reporting. To learn more, visit [SAW](#) from the employee's W-4 Form.



Step 3: Hiring Plans

Independent Contractors

- The 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



Step 3: SAW Account Setup



Welcome to Secure Access Washington! To start using services from agencies around Washington, choose one from your list below or click the 'Add A New Service' button. [To see open job postings for the SAW Team, go to our jobs page.](#)

Add A New Service



Step 3: Licensing

Business Licensing

- Secure Access Washington (SAW) Account
- dor.wa.gov

The screenshot displays the Washington State Department of Revenue website. At the top, the logo for the Department of Revenue is visible, along with navigation links for Laws & rules, Careers, Contact, About, and a Log in button. A search bar is also present. Below the navigation bar, a dropdown menu titled "I want to..." is open, showing options: "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", and "File a return". To the right, there is a login section for the Secure Access Washington (SAW) account, with fields for "SAW User ID" and "Password", each with a "Forgot?" link. A "Show Password" checkbox is also present. Further right, a "Businesses" sidebar lists various 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".



Step 3: Licensing

Multiple locations? Mobile business?

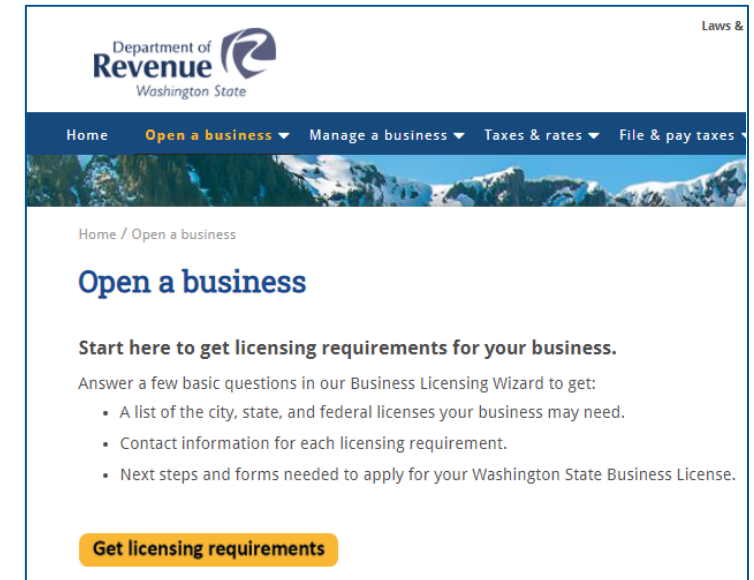
- A physical address must be provided for the state business license
 - May use your home address.
 - Cannot be a PMB or PO Box.
- Most cities require a local city license to do business in their city



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)
- And many more....



Business Licensing Wizard



Washington State
Liquor and Cannabis Board



Step 4: Tax & Reporting Requirements

State Business Taxes

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



Step 4: State Tax Basics

Business & occupation (B&O) tax

- Based on gross receipts
 - No deduction for expenses or costs of doing business.
- There are over 20 different B&O tax classifications.
- The B&O tax rate varies by tax classification.

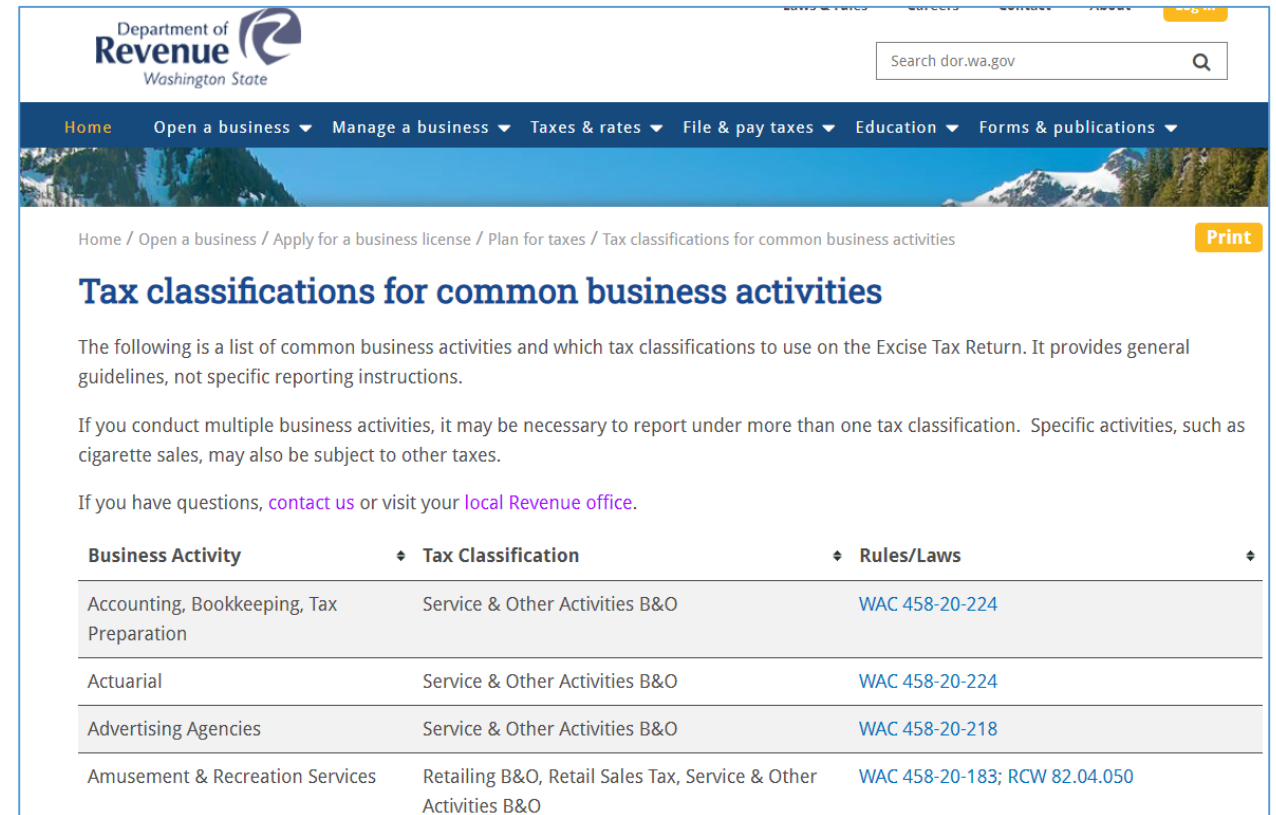
Public utility tax (PUT)

- A tax on public service businesses.
- There are six public utility tax classifications.
- Tax rates vary by tax classification.



Step 4: Business & Occupation Tax

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



The screenshot shows the Washington State Department of Revenue website. The header includes the department's name and logo, a search bar, and a navigation menu with links like Home, Open a business, Manage a business, Taxes & rates, File & pay taxes, Education, and Forms & publications. The main content area is titled "Tax classifications for common business activities" and includes a brief explanation of the list, a note about multiple business activities, and a link to contact the department. Below this is a table with three columns: Business Activity, Tax Classification, and Rules/Laws.

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
Amusement & Recreation Services	Retailing B&O, Retail Sales Tax, Service & Other Activities B&O	WAC 458-20-183; RCW 82.04.050

- dor.wa.gov/CommonBusinessActivities
- dor.wa.gov/IndustryGuides



Step 4: Sales & Use Taxes

Sales & use taxes apply to:

- Tangible personal property
- Digital products
- Retail services:
 - 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 invoice. Sales tax is due on shipping and handling charges.



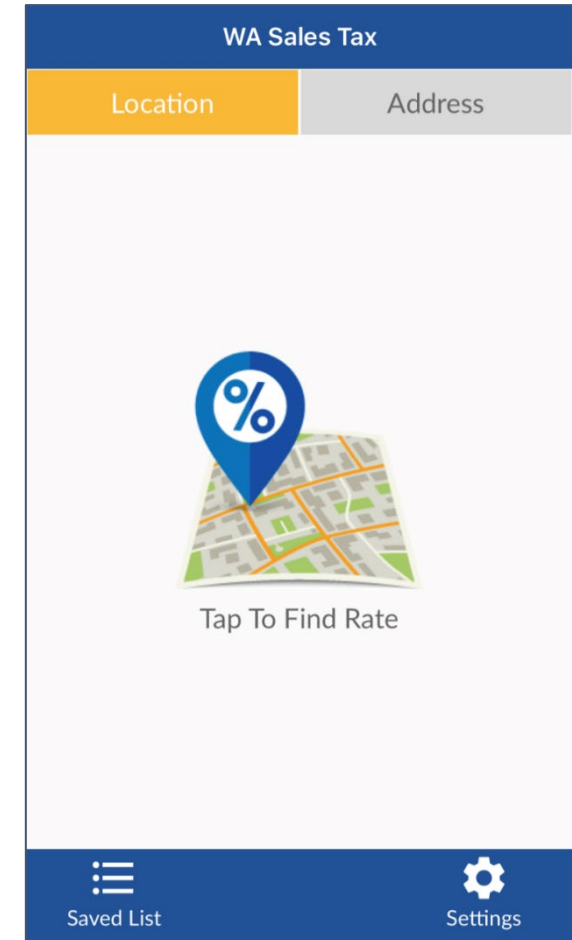
Step 4: Sales & Use Taxes

What is the correct rate?

- State portion .065
- Local portion
 - Local rate varies by location
 - We have well over 350 local tax codes

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

We 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 file a **Personal Property Listing Form** with the county assessor

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	Assessor	Treasurer
ASOTIN	Assessor	Treasurer
BENTON	Assessor	Treasurer
CHELAN	Assessor	Treasurer
CLALLAM	Assessor	Treasurer
CLARK	Assessor	Treasurer
COLUMBIA	Assessor	Treasurer
COWLITZ	Assessor	Treasurer
DOUGLAS	Assessor	Treasurer
FERRY	Assessor	Treasurer
FRANKLIN	Assessor	Treasurer
GARFIELD	Assessor	Treasurer
GRANT	Assessor	Treasurer
GRAYS HARBOR	Assessor	Treasurer
ISLAND	Assessor	Treasurer
JEFFERSON	Assessor	Treasurer
KING	Assessor	Treasurer
KITSAP	Assessor	Treasurer
KITTITAS	Assessor	Treasurer
Klickitat	Assessor	
LEWIS		



Step 4: Employment Taxes

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

State Unemployment Taxes - 2025

- Calculated by multiplying the taxable wages (gross payroll up to a maximum amount) by the tax rate.
- Don't have to pay on wage amounts above the taxable wage limit of \$72,800 per employee (2025) but wages above the limit must be reported.

- 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: More Employment Taxes

Paid Family & Medical Leave 2025 premiums

- Total premium rate is 0.92% of gross wages
- Employees pay most of the premium
- If more than 50 employees, withholding from employees 71.52% / employers 28.48%

WA Cares Fund

- Employers deduct 0.58% of an employee's gross wages (no premiums paid by employers) and report quarterly with Paid Family & Medical Leave
- Premium contributions are not capped at taxable maximum for Social Security

- 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.

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Run your business, Section 5



Step 4: Employment Taxes



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



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 3rd 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

START  your business

Small-
Business
Guide
WASHINGTON STATE

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](#)

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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**.



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



to Report

Reporting new hires, you will need the following information about your
es and company:

SMALL BUSINESS LIAISON TEAM

Step 5: Learn Employer Requirements

- Independent contractors *(must meet requirements or they're employees)*
- Minimum wage *(\$16.66/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 \$123K/yr*)*
- Can't restrict outside employment *(unless pay at least \$33.32/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)*



** indicates for 2025*



Step 5: Employer Requirements

To learn more about employer requirements, attend this webinar.

Register at:

LNI.wa.gov/training

L&I Essentials for Business

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



Washington State Department of
Labor & Industries

Small Business Office



Step 5: Employer Services

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 topic](#)

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

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

The screenshot shows the Employment Security Department (ESD) website. The header includes the ESD logo, a search bar, and links for 'eServices Login' and 'Languages'. The main navigation bar lists: Home, Unemployment, Paid Leave, Jobs & Training, Unemployment Taxes, Employer Resources, Labor Market Info, and Newsroom. The 'Employer Resources' section is highlighted. It features a 'Frequently Used Links' list (SharedWork Program, WOTC, H-2A Program, Business layoff assistance, YesVets, Employer and collections FAQ), a 'Forms' list (SharedWork forms and media library, Employer resources forms and publications library, WOTC pre-screening form, WOTC individual characteristics form, Paid Family and Medical Leave), and a 'COVID-19 response' section. A large image of a smiling woman is also present.

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](#)

ing 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](#)



Step 6: Use Advisors

Training & Advising Programs

Listing available at business.wa.gov/business-resources



- SCORE

score.org



- Small Business Development Center

wsbdc.org



- Women's Business Centers

sba.gov



- Various Microenterprise Development Organizations

wamicrobiz.org





About the Washington SBDC

Helping Washington Businesses
Grow & Succeed

Statewide Network

The Washington SBDC is a highly collaborative statewide network supported by the Lead Office in Spokane with various services, licenses, tools, training and resources.

Every client that we serve has access to over 40 advisors with years of experience and knowledge that spans every industry and phase of business operation.



Together...we help Washington businesses grow & succeed



No-Cost Advising Services

- Planning or growing your business
- Analyzing financial statements
- Acquiring capital and managing cash flow
- Buying or selling businesses
- Exporting to markets around the world
- Market research
- Business systems and record keeping
- Getting and keeping customers
- Cost-cutting strategies
- Finding and keeping qualified employees
- Succession planning
- Tech commercialization





Training Services

In-Person and Online

Small Business
ENTREPRENEUR
HUMAN RESOURCES Financial Analysis
CYBER *Marketing*
SECURITY
INTERNATIONAL TRADE Government Contracting

OPERATIONS

2024 Training



4,620

Training Attendees



206

Delivered Training Events

Economic Impact

Compared to average Washington businesses, Washington SBDC clients increased revenue and created jobs at significantly greater rates than other Washington businesses.

+ JOB GROWTH +

8.8% **3.1%**
average SBDC client Washington average

↑ SALES GROWTH ↑

18.2% **6.5%**
average SBDC client Washington average



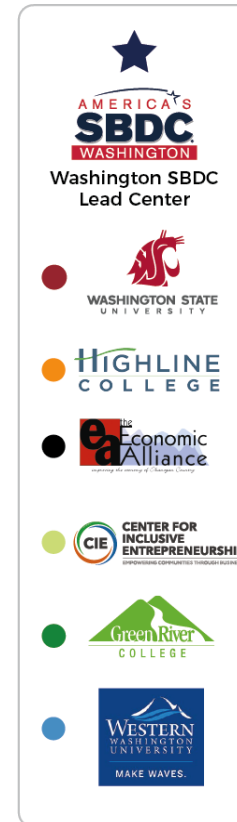
For every **\$1** invested in Washington SBDC counseling, our clients generated **\$3.16** in incremental tax revenue.

Washington SBDC clients generated **\$8,454,557** of State tax revenue and **\$2,673,778** of Federal tax revenue...totaling **\$11,128,637!**



97% of our clients say they would recommend SBDC services to others.

Washington SBDC Locations



Washington SBDC Contact Information:

washington@wsbdc.org
(833) 492-7232
www.wsbdc.org



The Washington SBDC network, hosted by Washington State University, is an accredited member of America's SBDC. Funded in part through a cooperative agreement with the U.S. Small Business Administration, institutions of higher education, economic development organizations and other public and private funding partners.

Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Email or phone the Washington SBDC.

Live Support Chat

- SMS Text
- Live Chat
- Email
- Phone

The ORIA Information Center is open weekdays from 8:00 a.m. to 4:30 p.m.

Leave us a message

Your name (optional)

Email address

Are you an existing business or in the planning stages? (optional)

-

Business activity, description, and location (cities and counties) (optional)



Contacts



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Secretary of State

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**Employment
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WASHINGTON STATE

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