



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



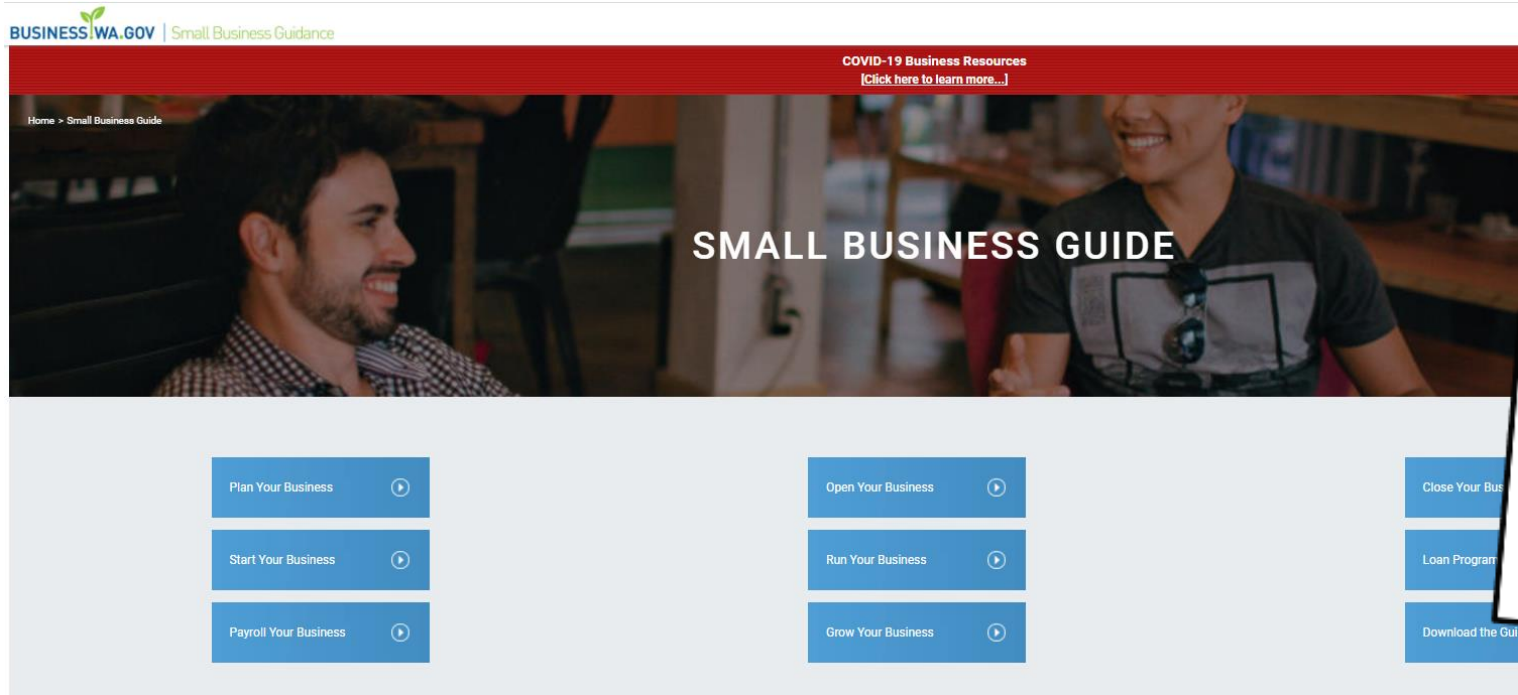
Use your phone now and browse to:

<http://business.wa.gov>

Step 1: Resources and Planning

The Small Business Guide

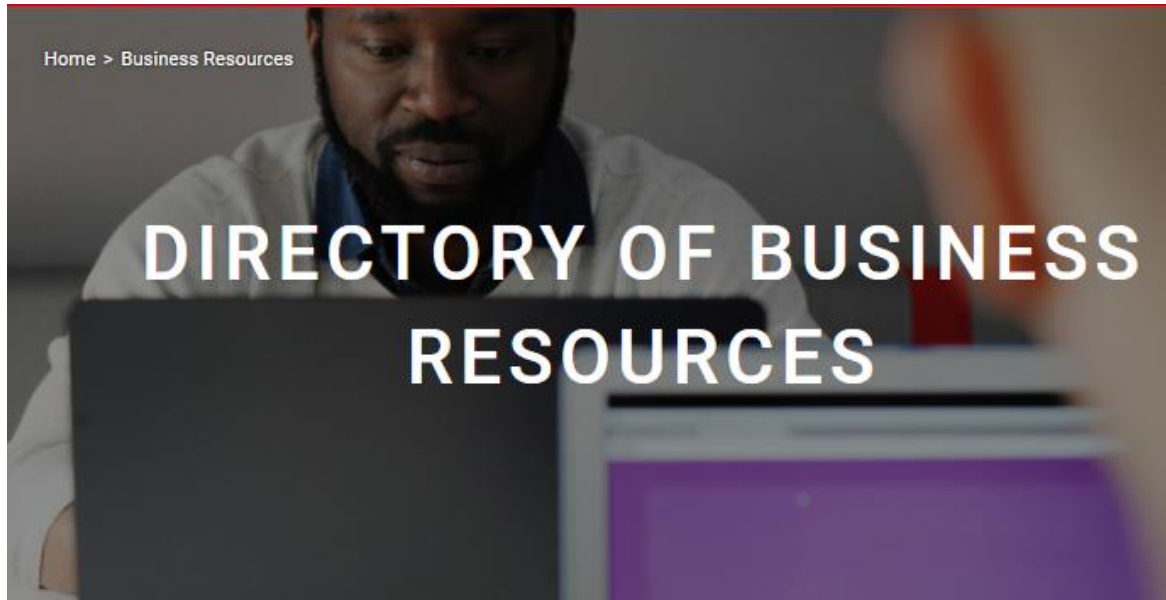
Available at <http://business.wa.gov/guide>



Step 1: Resources and Planning

Training and Advising Programs

Listing available at <http://business.wa.gov/business-resources>





Step 1: Resources and Planning

The Small Business Liaison Team

Download a directory at:















<http://business.wa.gov/liaisons>

Look for this button:

Download the Liaison contact
List NOW! 



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 help@business.wa.gov 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 smallbusiness@lni.wa.gov
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 tomw@dor.wa.gov Kim Johnson 360-705-6615 kimberlyj@dor.wa.gov
EMPLOYMENT SECURITY DEPT.	Regulate Unemployment Insurance, Paid Family Medical Leave, Labor Market information, and Work-Source program.	 Rafael Colon smallbusiness@esd.wa.gov 360-902-9540
SECRETARY OF STATE CORPORATIONS & CHARITIES	Register Corporate Business Entities, Charitable Organizations, Trademarks, and Domestic Partnerships.	 Patrick Reed patrick.reed@sos.wa.gov 360-725-0358
COMMISSION OF HISPANIC AFFAIRS	Improving the development of public policy and government services to the Hispanic Community.	 Nancy Rocha Aguilar nancy.rochaaguilar@cha.wa.gov 360-725-5661
COMMISSION OF AFRICAN AMERICAN AFFAIRS	Improving the policies, programs, and services of the African American Community.	 Ed Prince ed.prince@caa.wa.gov 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 toshiko.hasegawa@capaa.wa.gov 206-377-9583
DEPT. OF AGRICULTURE	Provide licenses and permits for agricultural products, regulate food safety and compliance with WSDA & USDA.	 Laura Raymond lraymond@agr.wa.gov 206-256-6157
DEPT. OF COMMERCE	Improve economic development, housing, public safety, international trade, and funding for small businesses.	 Robb Zerr robb.zerr@commerce.wa.gov 206-256-6111
DEPT. OF ECOLOGY	Provide environmental permitting and certifications, sustain healthy land, air & water; regulate waste and pollution.	 Sharlett Mena sharlett.mena@ecv.wa.gov 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 Barehand shana.barehand@des.wa.gov 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 daniya.baisubanova@wsdc.wa.gov 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 peter.vernie@dfw.wa.gov 360-902-2302

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: <http://business.wa.gov/plan>

Step 1: Resources and Planning

Resources

- Business.wa.gov Website
- Small Business Guide
- Training & Advising Programs
- Small Business Liaison Team



Step 2: Form the Business

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



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, pay taxes. There are different types of business entity limitations.

START  **your business**

- 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. These businesses are inexpensive to form and there are no ongoing costs. The owner is personally responsible (liable) for all business debts.

Limited Liability Companies (LLCs) are very popular because they have liability like a corporation, but has fewer governance requirements. Creation of an LLC requires filing a

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

✓ **Start with the Secretary of State**

If your business will be a:

- Sole Proprietorship
- Partnership

✓ **Start with the Dept. of Revenue**



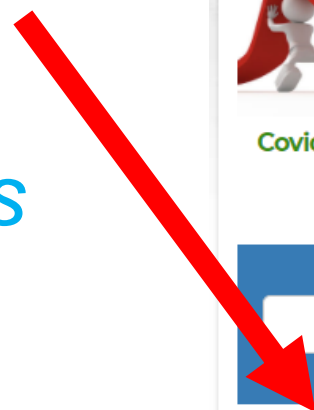


Step 2: LLCs & Corporations

Registering with the Secretary of State

- Watch the YouTube video for instructions

sos.wa.gov/corps

A screenshot of the Washington State Secretary of State's Corporations website. The header includes the Secretary of State's name, "Corporations", and a search bar. A navigation bar lists links: INFORMATION CENTER, NONPROFITS, CHARITIES, AWARDS, PUBLIC NOTICES, CONTACT US, and FAQ. A COVID-19 notice is displayed. The main content area features a "Quickly start filing your ANNUAL REPORT" button, a "Covid19 Fee Update" section with an image of people running, and links to "COVID-19 Response", "Covid19 Resources for Business and Workers", "Services that remain available", and "Emergency changes to nonprofit corporation meetings". A sidebar on the right includes a "Corporations & Charities Filing System" button, "CCFS Browser Support", and a "Most Requested Information" list. The footer contains search bars, a "Creating a User Account" section, and a "Contact Us" button.

Washington State Secretary of State
Corporations

INFORMATION CENTER NONPROFITS CHARITIES AWARDS PUBLIC NOTICES CONTACT US FAQ

Due to the ongoing fight to reduce the impacts of COVID-19, the Corporations and Charities Division office has in-person services available if you are not able to complete your filing online. All in-person service requests must be received by 4pm daily. We apologize for any inconvenience. Note: Our office will be closed November 25-27, online services will still be available through CCFS. We are sorry for any inconvenience.

Quickly start filing your ANNUAL REPORT

Covid19 Fee Update

COVID-19 Response
Covid19 Resources for Business and Workers

Services that remain available

Emergency changes to nonprofit corporation meetings

Business Search Advanced Business Search

Corporations & Charities Filing System

CCFS Browser Support

Most Requested Information

- Service of Process
- Download Forms
- Limited Liability Companies (LLC)
- Apostilles
- Nonprofit Information
- Domestic Partnerships
- Information Center
- Trademarks
- Registered Agent FAQ
- Glossary of Terms
- Corporations Data Extract

Creating a User Account
Easy steps to create a user account when registering a new business entity, and making changes to an existing entity

Contact Us

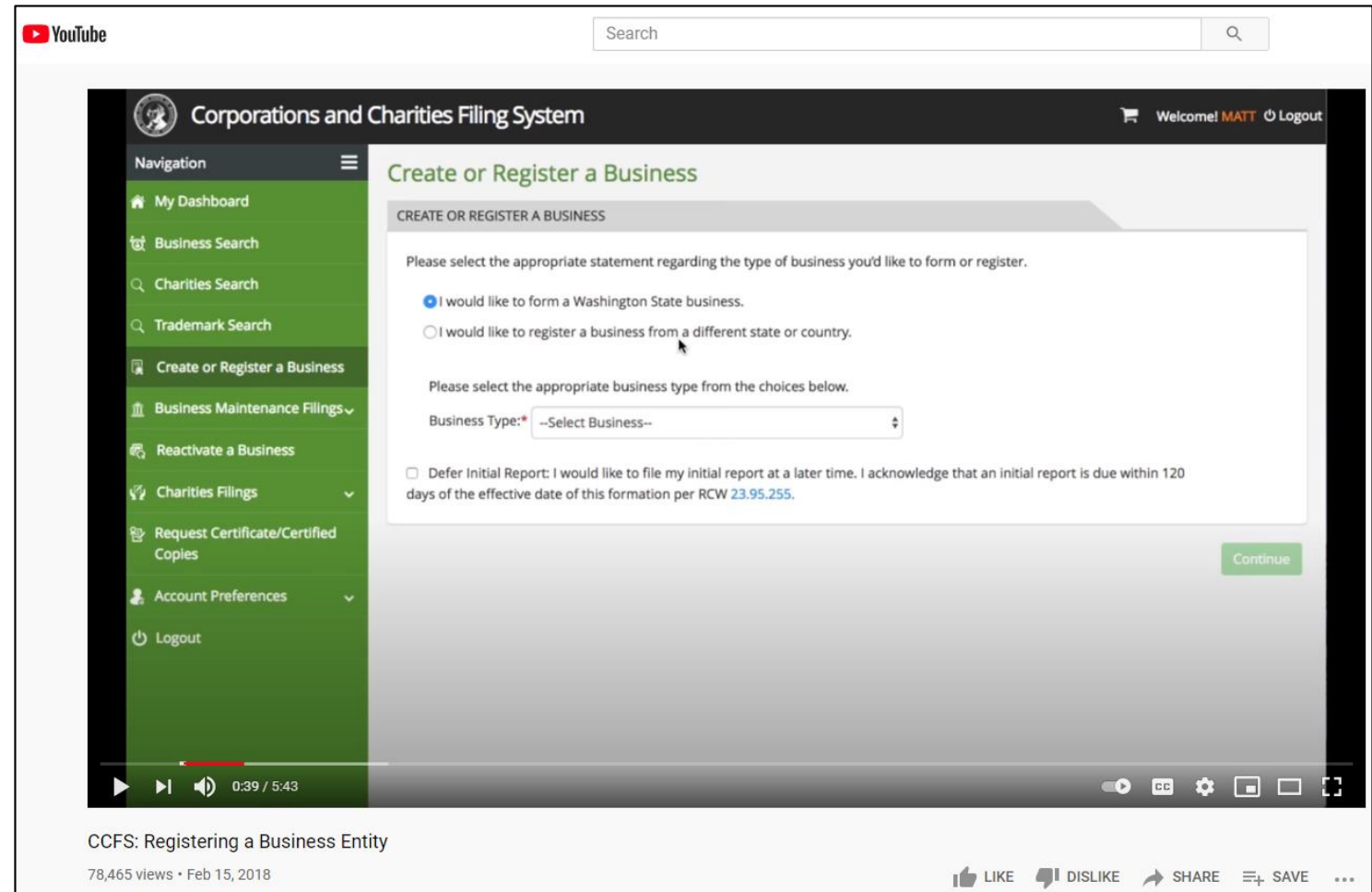
Step 2: LLCs & Corporations



Completing the online registration form

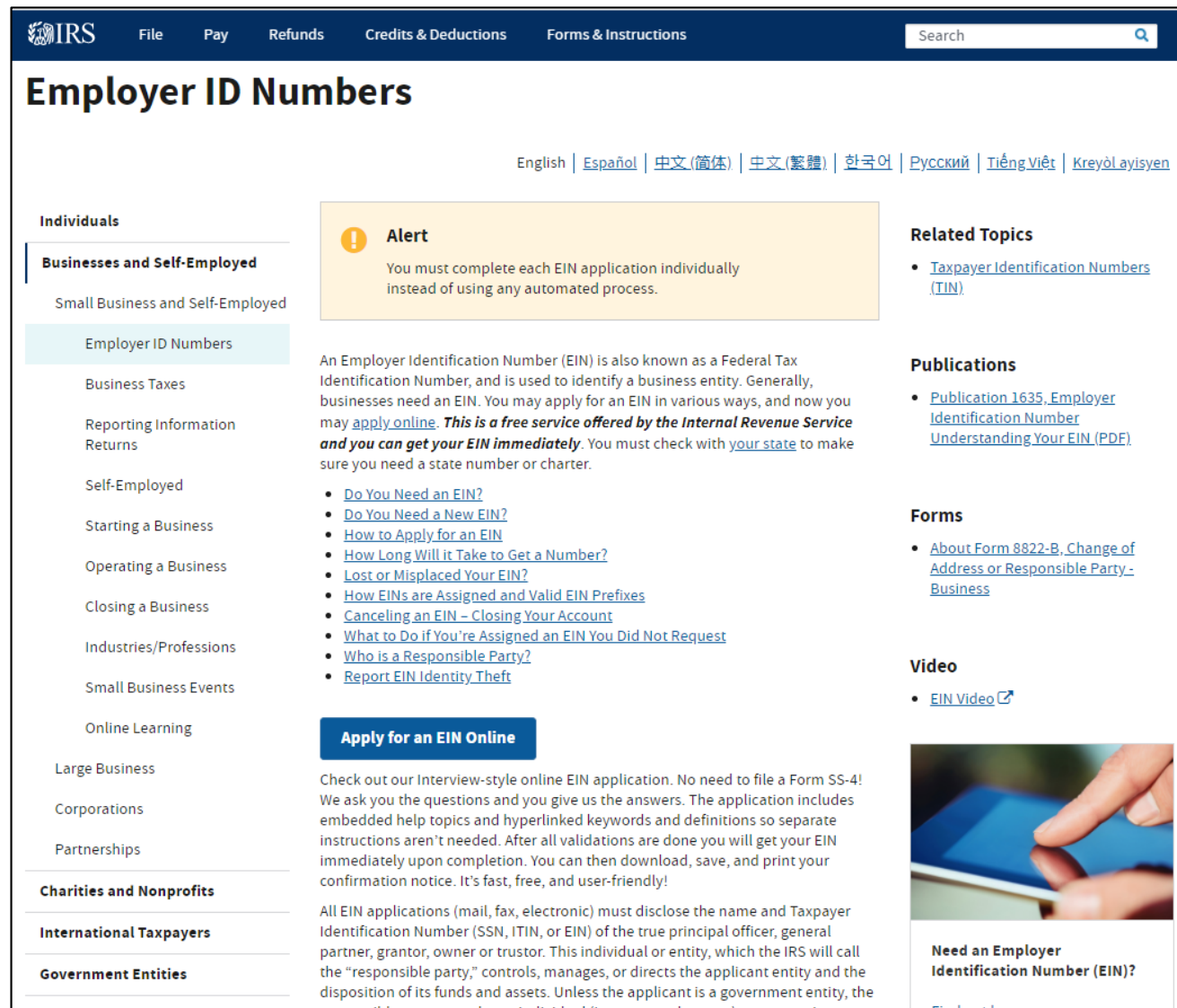
- Create a user account
- Name the entity
- Name governing people
- Name registered agent

Should receive confirmation of entity formation within two days



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*



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, along with a search bar. The page title is "Employer ID Numbers". Below the title, there are language options: English, Español, 中文(简体), 中文(繁體), 한국어, Русский, Tiếng Việt, and Kreyòl ayisyen.

On the left, a sidebar menu 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. Other options include 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, and Government Entities.

The main content area features an "Alert" box stating: "You must complete each EIN application individually instead of using any automated process." Below this, a paragraph explains that an Employer Identification Number (EIN) is also known as a Federal Tax Identification Number and is used to identify a business entity. It states that businesses need an EIN and that they can apply online for free. A list of links provides further guidance, including "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?", and "Report EIN Identity Theft".

A blue button labeled "Apply for an EIN Online" is prominently displayed. Below it, a paragraph describes the online application process, noting that it is an interview-style application that is fast, free, and user-friendly. It also mentions that the application includes embedded help topics and hyperlinked keywords. At the bottom, a paragraph states that all EIN applications must disclose the name and Taxpayer Identification Number (SSN, ITIN, or EIN) of the true principal officer, general partner, grantor, owner or trustee.

On the right side of the page, there are sections for "Related Topics" (linking to "Taxpayer Identification Numbers (TIN)"), "Publications" (linking to "Publication 1635, Employer Identification Number Understanding Your EIN (PDF)"), "Forms" (linking to "About Form 8822-B, Change of Address or Responsible Party - Business"), and "Video" (linking to "EIN Video").



At the bottom right, there is a small image of a hand pointing at a tablet screen, with the text "Need an Employer Identification Number (EIN)?" and a "Find out how" link.



Step 2: Out of State Business

Are you an LLC or corporation registered in another state, but planning to do business in Washington?

- Complete the “Foreign Registration Statement”
- Online or on paper
- Go to sos.wa.gov/corps



Office of the Secretary of State
Corporations & Charities Division

Physical/Overnight address
801 Capitol Way S
Olympia, WA 98501-1226

Mailing Address
PO Box 40234
Olympia, WA 98504-0234

This Box For Office Use Only

☐ Nonprofit \$30
☐ All Other Entity Types \$180
☐ To Expedite Filing Add \$50

FOREIGN REGISTRATION STATEMENT
RCW 23.95

All fields required unless otherwise specified

(1) REQUALIFICATION:
Has this entity previously registered with the Office of the Secretary of State? (Check one) ☐ Yes ☐ No
If Yes, provide UBI # and Expiration date, then continue: UBI #: Expiration:
If No, please continue.

(2) Do you already have a UBI Number? (Check one) ☐ Yes ☐ No If Yes, provide UBI #
If No, a new UBI # will be issued to you upon successful completion of the filing.

(3) ENTITY NAME:
Name must match the name listed on the Certificate of Existence/Good Standing

Does the entity have a name reserved? (Check one) ☐ Yes ☐ No
If Yes, provide the Name Reservation Number and Name . If No, provide only the name above.
Reservation Number:

For name requirements, please see the following RCW(s) as shown below.
Profit Corporation - [RCW 23.95.305 \(1\)](#), Nonprofit Corporation - [RCW 23.95.305 \(2\)](#), Limited Partnership - [RCW 23.95.305 \(3\)](#),
Limited Liability Partnership - [RCW 23.95.305 \(4\)](#), Limited Liability Company - [RCW 23.95.305 \(5\)](#)

(4) DOING BUSINESS AS (DBA) NAME: [RCW 23.95.525](#)

Step 2: Form the Business

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





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

The screenshot shows the Washington State Department of Revenue website. The header includes the department logo, navigation links (Laws & rules, Careers, Contact, About), a search bar, and a 'Log in' button. A secondary navigation bar contains links for Home, Open a business (highlighted), Manage a business, Taxes & rates, File & pay taxes, Education, and Forms & publications. The main content area is titled 'Open a business' and includes a breadcrumb trail 'Home / Open a business'. It features a 'Print' button and a section titled 'Start here to get licensing requirements for your business.' which lists three bullet points: 'A list of the city, state, and federal licenses your business may need.', 'Contact information for each licensing requirement.', and 'Next steps and forms needed to apply for your Washington State Business License.' Below this is a yellow button labeled 'Start a Scenario' and the text 'It's easy and takes 5 minutes!'. At the bottom, there are two links: 'Ownership structure' and 'Apply for a license'. On the right side, there is a 'More information' section with links to 'Small Business Guidance', 'Attend a workshop', 'Reseller permits', 'Sales to nonresidents', 'Business licensing FAQs', and 'Retirement Marketplace', followed by a 'Forms & publications' section with a link to 'Business License Application (pdf)'.

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.

It's easy and takes 5 minutes!

Start a Scenario

Ownership structure Apply for a license

More information

- Small Business Guidance
- Attend a workshop
- Reseller permits
- Sales to nonresidents
- Business licensing FAQs
- Retirement Marketplace

Forms & publications

- Business License Application (pdf)

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*

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..." offers 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, listing actions like "Open a business", "Get or renew a business license", and "File a return". To the right, a "Secure Services for Washington State Dept. of Revenue, Business Licensing Service, and Unclaimed Property" section contains a login form. The form prompts users to use their Secure Access Washington (SAW) user ID and password, with a link to "What is SAW?". It includes input fields for "SAW User ID" and "Password", each with a "Forgot?" link. A "Show Password" checkbox is also present. A prominent orange "Log in" button is at the bottom of the form, accompanied by links for "New user? Sign up" and "Not sure? Check if you have one". On the far 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 services" (which includes "Express file a no business return" and "Pay a bill").

Step 3: SAW Account Setup



The screenshot shows the Washington State SecureAccess login page. At the top, there is a green banner with the Washington State Seal on the left and the text "WELCOME to your login for Washington state." on the right. Below the banner is a grey navigation bar containing the "SecureAccess Washington" logo, a "SIGN UP!" button, a "GET HELP" button, and a "TIPS ON" button. 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, a "SUBMIT" button, and two links: "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.

 **WELCOME**
to your login for Washington state.

 SecureAccess
Washington

[SIGN UP!](#) [GET HELP](#) [TIPS ON](#)

LOGIN

USERNAME

PASSWORD

[SUBMIT](#)

[Forgot your username?](#) | [Forgot your password?](#)

ON BEHALF OF

 **WASHINGTON
STATE
AGENCIES**



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

[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

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

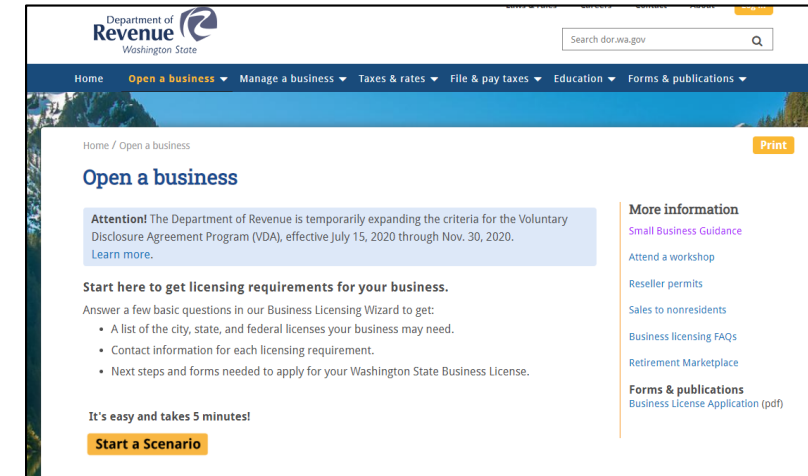
- Strict laws define “employee” vs “independent contractor”
- An independent contractor should:
 - Have a contract
 - Be a fully licensed and tax-reporting business
 - Keep good business financial records
 - Have multiple clients
 - Work away from one of your locations
 - Do something different from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



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 – dor.wa.gov

Step 3: Get Licenses & Permits

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



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:

A screenshot of the Washington State Department of Revenue website. The header includes the Department of Revenue logo and a search bar. A navigation menu lists: Home, Open a business, Manage a business, Taxes & rates, File & pay taxes, Education, and Forms & publications. The main content area shows a breadcrumb trail: Home / Open a business / Apply for a business license / Plan for taxes / Tax classifications for common business activities. Below this is the title "Tax classifications for common business activities" and a "Print" button. The text explains that the list provides general guidelines for Excise Tax Return classification. It also 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, each with a corresponding tax classification and legal reference.

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
- 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.



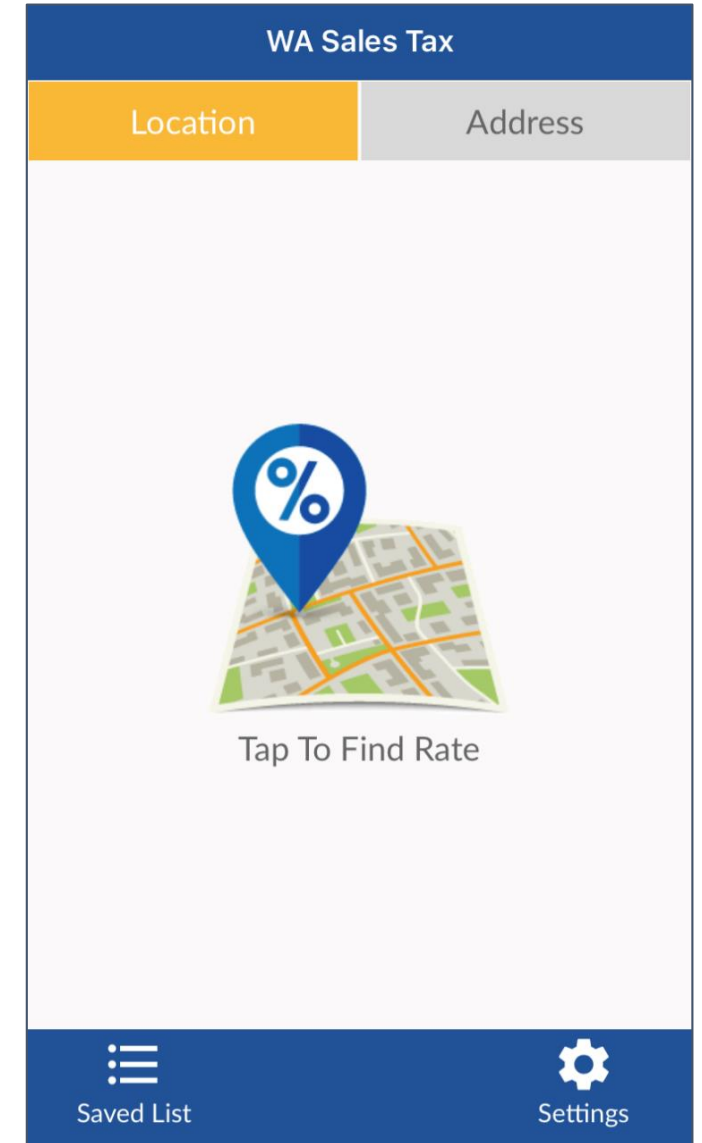
Step 4: Sales & Use Taxes

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

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	Treasurer	
LEWIS	Assessor	Treasurer	

Step 4: Employment Taxes

- State Unemployment Taxes
 - Employers pay ~2-3% of their gross payroll
 - Don't have to pay on wage amounts above the taxable wage limit of \$56,500 per employee (2021)
- Paid Family & Medical Leave
 - Employees pay ~0.25% of their earnings
 - If more than 50 employees, employers pay ~0.15% of their gross payroll
- 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>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 (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 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 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





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](#).

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](#)

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



www.dshs.wa.gov/esa/division-child-support/new-hire-reporting

Step 5: Learn Employer Requirements



Some Employment Laws

** indicates for 2021*

- Independent contractors *(must meet requirements or they're employees)*
- Minimum wage *(\$13.69/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 \$101K/yr*)*
- Can't restrict outside employment *(unless pay at least \$28/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/workshops-training





Step 5: Employer Services

<https://esd.wa.gov/about-employees#business-services>



QUICK LINKS

FREQUENTLY USED LINKS

The SharedWork Program
Work Opportunity Tax Credit (WOTC)
The H-2A Program
Business layoff assistance
YesVets

FORMS

SharedWork forms and media library
Employer resources forms and publications library

Employer resources

(en español)

Whether you need to hire employees, are facing layoffs, or have to let an employee go, we have resources and information that can help you.

On this page

[COVID-19 Response](#) | [Return to work](#) | [Forms and publications library](#) | [Paid Family and Medical Leave](#) | [WorkSource business services](#) | [Reduction in staff](#) | [Employer information](#) | [Small business resources](#)



<https://esd.wa.gov/about-employees>

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.
- Layoff aversion and/or assistance.

WorkSource services are free to employers thanks to careful stewardship of public funding and leveraged resources. Please take time to watch this video on [WorkSourceWA.com](#) and [WorkSource services](#).

[Login to your WorkSource Employer Account](#) | [Post a job](#) | [Watch the WorkSourceWA.com video](#) | [Talk to a WorkSource Business Solutions Professional](#) | [WorkSource frequently asked questions](#)

Employer incentives

- [Worker Opportunity Tax Credit \(WOTC\)](#)
- [Incentives for hiring veterans](#)
- [Federal bonding](#)
- [On the job training \(OJT\)](#)

Staffing 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 5: Learn Employer Requirements

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



Step 6: Use Advisors

Training & Advising Programs

Listing available at <http://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

Contacts



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Questions?

