



WASHINGTON
Secretary of State



Employment
Security
Department
WASHINGTON STATE



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



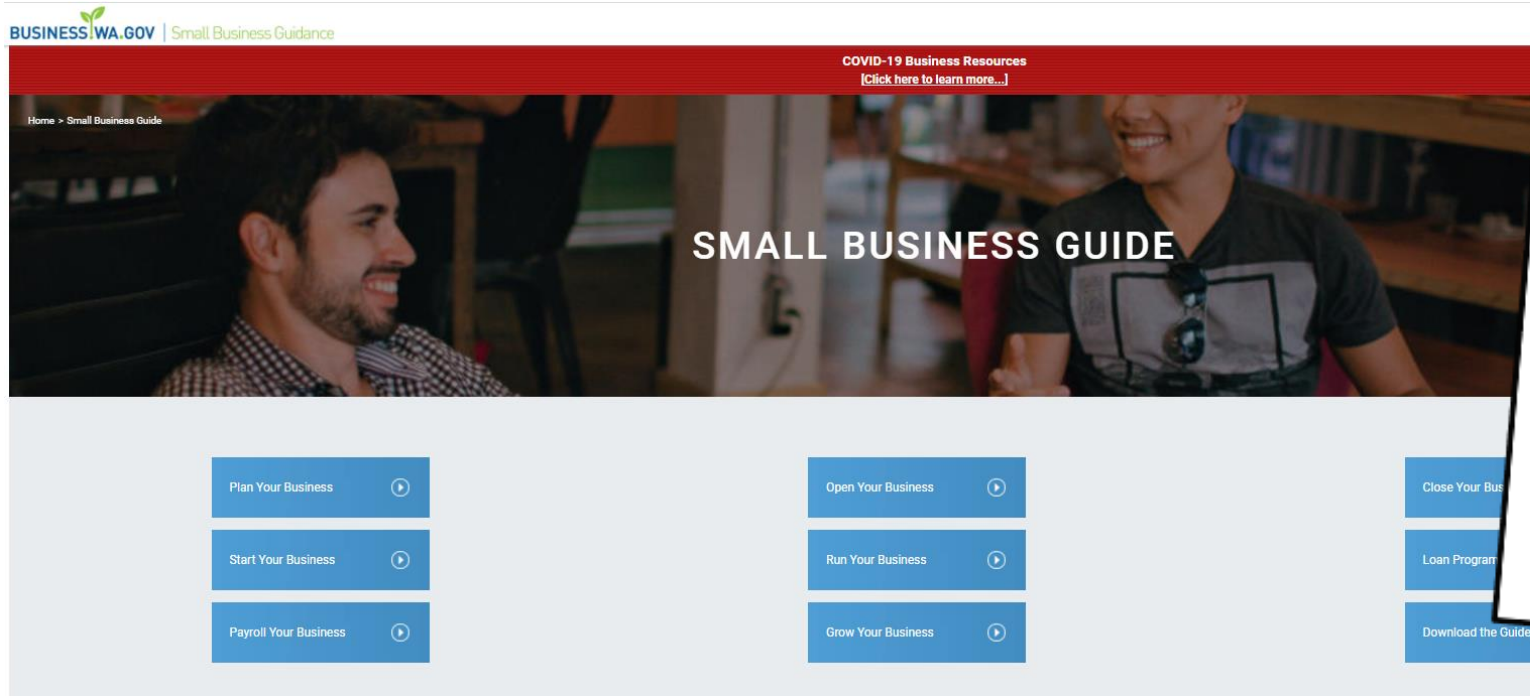
Use your phone now and browse to:

business.wa.gov

Step 1: Resources and Planning



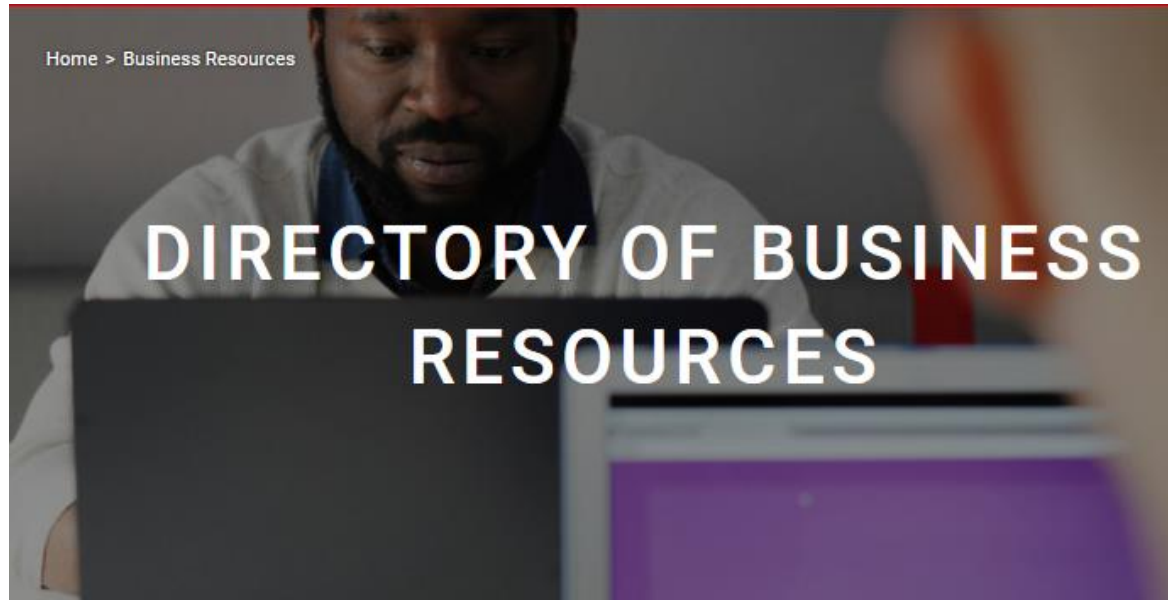
The Small Business Guide Available at business.wa.gov/guide



Step 1: Resources and Planning

Training and Advising Programs

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



Step 1: Resources and Planning



WASHINGTON STATE SMALL BUSINESS LIAISON TEAM

AGENCY	SERVICES	LIAISON
GOVERNOR'S OFFICE FOR REGULATORY INNOVATION & ASSISTANCE	Assistance with local, state, and federal business licensing regulations and environmental permitting.	 Scott Hitchcock 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 kimberly@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 Barendhand shana.barendhand@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@swc.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

The Small Business Liaison Team

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

Look for this button:





Step 1: Resources and Planning

Make a Business Plan

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

Step 2: Form the Business

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



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Step 2: Form the Business



Business Structures / Forms of Ownership

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

Step 2: Form the Business



3. Choose a business structure

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



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

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

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

Washington State Business and Organization Structure Considerations:

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



Step 2: Form the Business



If your business will be a:

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



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If your business will be a:

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



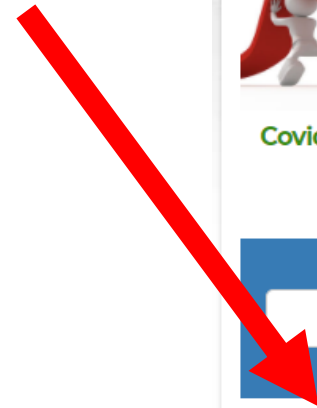
Step 2: LLCs & Corporations



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 page features a navigation bar with links for INFORMATION CENTER, NONPROFITS, CHARITIES, AWARDS, PUBLIC NOTICES, CONTACT US, and FAQ. A prominent red banner at the top reads "Quickly start filing your ANNUAL REPORT". Below this, there are several informational tiles: "Covid19 Fee Update" with an image of figures holding a red ribbon, "COVID-19 Response" with the ASMS logo, "Covid19 Resources for Business and Workers", "Services that remain available" with an image of people working, and "Emergency changes to nonprofit corporation meetings" with an image of a person on a video call. On the right side, there is a green button for "Corporations & Charities Filing System" and a blue button for "CCFS Browser Support". A "Most Requested Information" section lists various services like Service of Process, Download Forms, and Limited Liability Companies (LLC). At the bottom, there are search boxes for "Business Search" and "Advanced Business Search", and a video player for "Creating a User Account" with a play button icon.

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

A screenshot of a YouTube video showing the "Create or Register a Business" form on the Washington State Corporations and Charities Filing System website. The form is titled "CREATE OR REGISTER A BUSINESS" and asks the user to select the appropriate statement regarding the type of business they want to form or register. The first option, "I would like to form a Washington State business," is selected with a radio button. The second option, "I would like to register a business from a different state or country," is unselected. Below this, the user is asked to select the appropriate business type from a dropdown menu, which currently shows "--Select Business--". At the bottom of the form, there is a checkbox for "Defer Initial Report" and a "Continue" button. The video player interface shows the video is at 0:39 / 5:43. The video title is "CCFS: Registering a Business Entity" and it has 78,465 views as of Feb 15, 2018.

Step 2: Federal Taxpayer Number



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

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

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

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 disclose the name and Taxpayer Identification Number (SSN, ITIN, or EIN) of the true principal officer, general partner, grantor, owner or trustee. This individual or entity, which the IRS will call the "responsible party," controls, manages, or directs the applicant entity and the disposition of its funds and assets. Unless the applicant is a government entity, the

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](#)


Need an Employer Identification Number (EIN)?

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

This Box For Office Use Only

<u>Physical/Overnight address</u> 801 Capitol Way S Olympia, WA 98501-1226	<u>Mailing Address</u> PO Box 40234 Olympia, WA 98504-0234
--	--

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 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

A screenshot of the Washington State Department of Revenue website. The page is titled "Open a business" and provides information about the Business Licensing Wizard. The header includes the Department of Revenue logo, navigation links for "Laws & rules", "Careers", "Contact", "About", and "Log in", and a search bar. The main navigation menu includes "Home", "Open a business", "Manage a business", "Taxes & rates", "File & pay taxes", "Education", and "Forms & publications". The content area features a breadcrumb trail "Home / Open a business", a "Print" button, and the heading "Open a business". Below this, it says "Start here to get licensing requirements for your business." and "Answer a few basic questions in our Business Licensing Wizard to get:" followed by a list of benefits: "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." A yellow button labeled "Start a Scenario" is prominently displayed. 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 for "Small Business Guidance", "Attend a workshop", "Reseller permits", "Sales to nonresidents", "Business licensing FAQs", and "Retirement Marketplace", and a "Forms & publications" section with a link for "Business License Application (pdf)".

Step 3: Licensing



Multiple locations? Mobile business?

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

Step 3: Licensing

Business Licensing

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

The screenshot displays the Washington State Department of Revenue website. At the top, there is a navigation bar with links for 'Laws & rules', 'Careers', 'Contact', 'About', and a 'Log in' button. A search bar is also present. Below the navigation bar, a dark blue menu contains links for 'Home', 'Open a business', 'Manage a business', 'Taxes & rates', 'File & pay taxes', 'Education', and 'Forms & publications'. A white dropdown menu titled 'I want to...' is open, listing 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', 'File a return', and 'Manage a business account'. A 'Secure Services for Washington State Dept. of Revenue, Business Licensing Service, and Unclaimed Property' section is highlighted with an orange border, containing a login form with fields for 'SAW User ID' and 'Password', each with a 'Forgot?' link, a 'Show Password' checkbox, and a 'Log in' button. Below the login form are links for 'New user? Sign up' and 'Not sure? Check if you have one'. To the 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' (including 'Express file a no business return' and 'Pay a bill').

Step 3: SAW Account Setup



A screenshot of the Washington State SecureAccess login page. The page has a green header with the Seal of the State of Washington on the left and the text "WELCOME to your login for Washington state." on the right. Below the header is a grey navigation bar with the "SecureAccess Washington" logo on the left and three buttons: "SIGN UP!", "GET HELP", and "TIPS ON". The main content area is white and divided into two sections. The left section is titled "LOGIN" and contains two input fields for "USERNAME" and "PASSWORD", a green "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 on it.

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

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

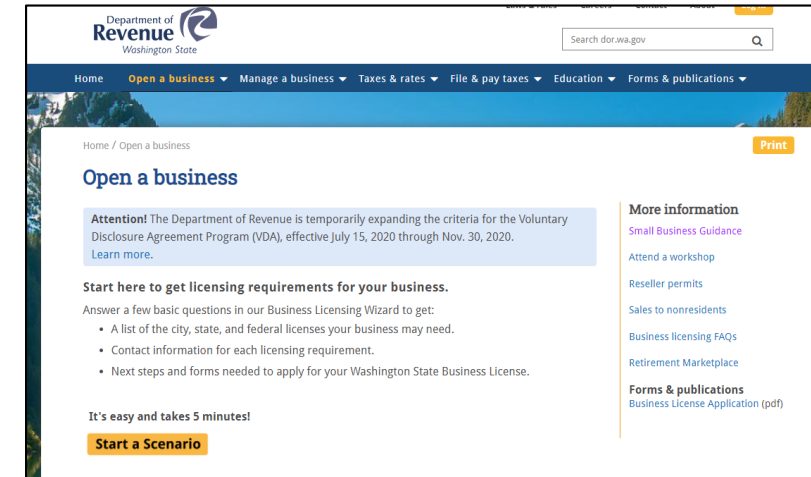


LNI.wa.gov/IndependentContractor

Step 3: Other Licenses & Permits

Other licenses and permits

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



Business Licensing Wizard – dor.wa.gov

Step 4: Tax & Reporting Requirements



Typical State Business Taxes

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



2. State business taxes

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

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

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

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

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

- [New Business Tax Basics](#)

Step 4: State Tax Basics



Business & occupation (B&O) tax

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

Public utility tax (PUT)

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

Step 4: Business & Occupation Tax



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

The screenshot shows the Department of Revenue website. The header includes the 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 breadcrumb trail is: Home / Open a business / Apply for a business license / Plan for taxes / Tax classifications for common business activities. The main heading is "Tax classifications for common business activities". Below this, there is explanatory text and 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
	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

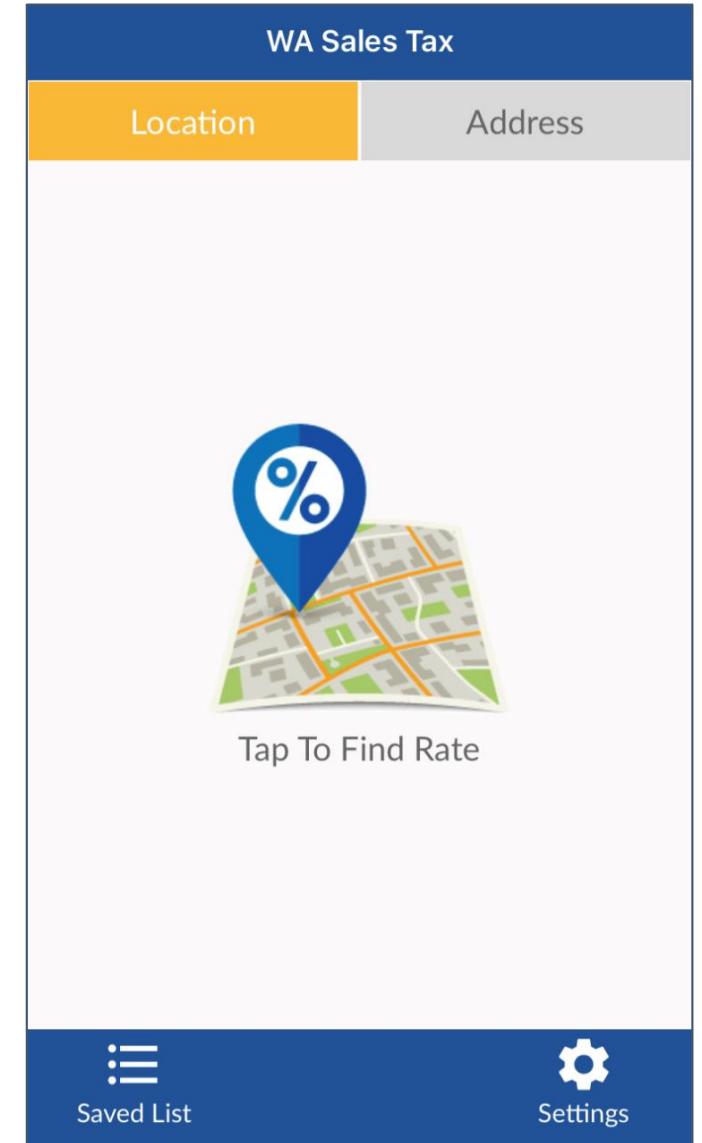


What is the rate?

- 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 5: Learn Employer Requirements



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

Step 5: Hiring Employees



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

10. Hire employees

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



Labor Law

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

Worker Benefits

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

Step 5: New Hire Reporting



New Hire Reporting

Program Information

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

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



What to Report

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

Employee Information:



My Secure DSHS

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

Please login to access this service.

User ID:

Password:

LOGIN

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



Employers:

- Report newly hired or rehired employees
- Make child support payments electronically (Required as of January 1, 2019)

Parents:

- View or make child support payments
- Get notified when a child support payment is received
- Authorize direct deposit to receive child support
- Request a DCS Debit Card to receive child support
- Set up reminders for payments that are due

Medical Premium Payers:

- Children's Health Insurance Program (CHIP)
- Healthcare for Workers with Disabilities (HWD)

New User?

Check to see if you already have an User ID.

Sign up

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

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/training

A blue banner with a white logo on the left and text on the right. The logo consists of three overlapping circles. The text on the right reads "Washington State Department of Labor & Industries". Below this, in a white box with a blue border, is the text "L&I Essentials for Business". In the top right corner, it says "Presented by: Andrew Bryan", "Small Business Liaison Office", and "smallbusiness@lni.wa.gov | 800-987-0145".

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

Washington State Department of
Labor & Industries

L&I Essentials for Business



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](#)



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

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

Contacts



Susan Nielsen

susan.nielsen@commerce.wa.gov / 509-220-6048



Scott Hitchcock (ORIA)

scotthitchcock@gov.wa.gov / 360-725-0622



WASHINGTON
Secretary of State

Patrick Reed

patrick.reed@sos.wa.gov / 360-725-0358



Telephone Information Center

DORCommunications@dor.wa.gov / 360-705-6705



Celia Nightingale & Andrew Bryan

smallbusiness@lni.wa.gov / 800-987-0145



Rafael Colón

smallbusiness@esd.wa.gov / 360-878-4088