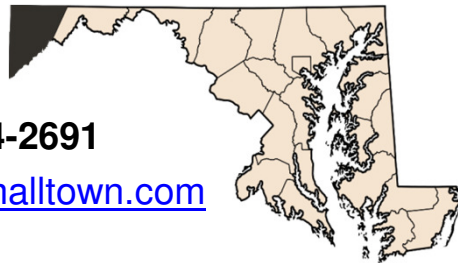


Greater Oakland Business Association

STARTING AND OPERATING A BUSINESS IN OAKLAND, MARYLAND

A Reference Guide For Entrepreneurs JULY 2016



301-334-2691

www.agreatsmalltown.com

Garrett County, Maryland
Greater Oakland Business Association

We are pleased to provide this guide for starting and operating a business in Oakland, Maryland. This guide is designed to help you find answers to the many questions which may arise as you develop your new business idea or expand your current business. The information contained in this guide is current as of the date set forth on the front cover.

Oakland, Maryland was founded in 1849 and incorporated in 1862 and is located in a rural area of Garrett County, which is the westernmost county in the state of Maryland. It is bordered to the north by Somerset County, Pennsylvania, and the state of West Virginia to the west and south. Oakland has a population of 1,925 and an elevation of 2,534 feet.

Oakland is the county seat of Garrett County and is home to the Garrett County Courthouse, Garrett Regional Medical Center, the Garrett County Board of Education, the Oakland Golf Course as well as Broadford Lake and Park. It is also the home to 3 of the top 5 major employers in the county. The Town of Oakland maintains several designations. Oakland was one of the first designated Main Street Communities and was designated as a Sustainable Community. It was also recognized as a "Tree City USA Community", and a "Preserve America" Community. Oakland is home to various small businesses, museums, and historical landmarks.

The Town of Oakland, in conjunction with the Greater Oakland Business Association (GOBA), host numerous events throughout the four seasons including the Little Yough Summer Music Festival, Pocket Park Movies, Winter Fest, the MD State Banjo, Fiddle and Mandolin Championships, Wonderful Wednesday's, and the Mountain Fresh Farmers Market. Every October, Oakland welcomes the Autumn Glory Festival which attracts over 50,000 people to the area for the Autumn Glory Parade, Oktoberfest Dinner and Celebration, various craft and antique shows, the Fireman's Parade as well as a number of other events.

Oakland's Our Town Theatre hosts a variety of plays throughout the year. The museum's each have frequent speakers and the B&O Museum also features story telling for children, Huff-N-Puff children's train rides and crafts.

Due to the number of people employed in Oakland, these wonderful events and our proximity to tourist destinations such as Deep Creek Lake, Canaan Valley and Alpine Resort, Oakland receives a lot of traffic through the town on a daily basis with car counts over 30,00 per day.

Oakland is approximately 8 miles from Deep Creek Lake and Swallow Falls State Park and 4.5 miles from Herrington Manor State Park.

Please feel free to contact us if we can assist you in any way to help you and your business feel at home in our beautiful county.

Greater Oakland Business Association
301.334.2691
mainstreetgoba@gmail.com
www.agreatsmalltown.com



TABLE OF CONTENTS

Introduction	4
Six Steps to Start-Up Success	5
Elements of a Business Plan	6
Forming and Registering Your Business	8
Forms of Business	9
Choosing and Registering a Business Name	10
Taxes and Regulatory Requirements	11
Personal Property Tax Information	11
State Tax Information	12
Federal Tax Information	12
State and Local License Requirements	13
Regulatory Licenses	14
Choosing a Business Location	16
Financing Your Business	18
Bank Financing	18
Alternative Financing	19
Tax Credits and Incentives	19
County	19
State	20
Federal Contracting	20
Hiring Employees	21
Alternatives to Hiring Employees	22
Insurance Needs	23
Additional Resources	24
Directory of Agencies / Resources	26
County Agencies	26
Federal Agencies	26
State Agencies	27
Other Resources	28
Appendices	31
Appendix "A" - Sample Business Plan	32
Appendix "B" - MD Trade Name Application	44
Appendix "C" - MD Combined Registration Application	46
Appendix "D" - Federal EIN Number Application	52

INTRODUCTION

If you are planning to start a small business or expand your existing business in the Greater Oakland area, the information contained in this reference guide has been prepared to assist you.

This guide is intended to help you in a number of ways. It will provide you with the information about requirements for starting a business in Oakland, Garrett County, and the State of Maryland. Please remember that this is a guide; its intention is to help you with information and resources. However, it cannot replace the advice of an attorney or other professional. You should seek the advice of qualified professionals before starting any business venture. These professionals can be located by contacting any of the business resources listed in the resource section of this guide.

You will also find information that will help you plan your business venture. The various types of business structures are described, as well as sources of available financing. In addition, information about insuring your business and determining the best location is included.

Several forms and their related instructions have been provided for you. These forms can be filled out and submitted online, however, they are provided here so that you can be aware of the information needed. These forms can also be submitted by mailing them to the appropriate agencies, but you will have much quicker response submitting them online.

Use this guide as a directory of information. It lists resource organizations that can help you put your business together, as well as agencies with which you will be required to work in order to do business in the Greater Oakland area.

If you need assistance, please call The Greater Oakland Business Association at 301.334.2691 or visit us online at www.agreatsmalltown.com. We want to make your business experience the best it can be.



SIX STEPS TO START-UP SUCCESS

1. Conceive your business

- Focus your idea
- Research your idea
- Choose a name (page 7)
- Write a business plan (page 3)

2. Structure your business

- Choose an organization type (page 6)
- Consult professionals
- Set up your financial systems

3. Prepare all necessary forms, permits, and licenses

- Federal, state, and local requirements (page 9)
- File company papers with the State Dept. of Assessments and Taxation (page 7)
- Obtain a federal tax identification number (page 10)
- Register your business name (page 7)
- Obtain all necessary licenses and permits (page 10)
- Fulfill all employer requirements (page 11)
- Secure intellectual property

4. Fund your business

- Use your own assets
- Borrow from friends and family
- Borrow from a bank or other lending institution (page 16)

5. Taxes and insurance

- Determine and fulfill all tax requirements (page 11)
- Set up detailed record keeping systems for deductible expenditures
- Set up system for tracking information for income tax forms
- Obtain insurance (page 21)

6. Manage your ongoing business finances

- Determine weekly, monthly, quarterly, and yearly tasks
- Understand and determine methods for improving cash flow
- Understand management of receivables
- Decide whether you should hire employees, contractors, or temps (page 19)

ELEMENTS OF A BUSINESS PLAN

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.

A business plan is your roadmap to operating a successful business. Just as you wouldn't take a long trip without consulting a roadmap neither should you start a business without planning the steps to your success. The following information will help you develop your plan of business whether you are preparing a business plan for financing or simply to help you start and operate your business in an orderly fashion.

For assistance in preparing a business plan, contact Mike Tumbarello at the Garrett Center for Entrepreneurship and Innovation at 301.387.3167 or the Small Business Technology and Development Center at 888.237.9007, ext. 6. Both services are free of charge.

The following is a general list and description of the elements of a business plan:

Cover sheet—Include the business name, the principals' names, the contact person's name, address, and telephone number. To personalize plans going to lenders or investors, the name of the person or organization for whom the plan is intended is often placed on this page.

Contents—Provide a conveniently organized outline of the plan, showing the page numbers for each major section. It should be designed to make it easy for readers to locate specific sections. Avoid excess detail here.

Plan Summary—Though no more than one page long, this is the most important part of the plan because it presents the essence of your business idea. It is often the only part of the plan that gets read. Here is where you arouse the interest and desire of your recipients to know more. It is a summary of the entire plan.

Prepare the plan summary after you have completed all the other items of your business plan. Include the following:

1. Name of your business
2. Purpose of the plan
3. Market potential
4. Significant product features and benefits
5. Competitive analysis
6. Product development or operational milestones
7. Management qualifications of the principals



8. Summary of financial projections
9. Amount of financial assistance requested
10. Earnings' projections and potential returns to investors showing how any borrowed or invested money will be repaid

Production/Operating Plan—Describe how your business will operate, how the work will flow, and what you'll do to ensure the work will be done efficiently, cost-effectively, and on time.

Schedule—A development schedule that outlines what needs to be done and when it will be completed. Identify all critical activities and how they will be handled.

Ordinary Operations—Days and hours of operation, service and support, and how the product is produced (if applicable).

Equipment—Equipment and supplies needed.

Suppliers—Sources of necessary materials, merchandise, or supplies.

Inventory—How inventory will be maintained.

Contingencies—Provide a “Plan B” for any problems that could develop. This is the place to discuss how unexpected events could adversely affect the business.

Administrative Plan—Describe how the business will be managed.

Management Team—Describe the management team and how each contributes to the business's success. Tell why each of the owners and key employees are qualified for their duties, including both their experience and education. Investors are most interested in the management team, so use this section to impress them with all the credentials.

Staffing—Personnel requirements.

Facilities—Describe the office, store, or facility your business needs. Explain where the business is or will be located and why.

Financial Plan—If your business is a start-up, this section will contain your financial projections for the next three years. For existing businesses, also include current financial statements and those for the past two years.

Marketing Plan—Include your market research, sales and distribution projections, promotional tools, pricing, and sales projections.

Appendix—Include resumes, the product (if applicable), floor plans (if applicable), and key professional contacts.

Once you have completed your business plan, you are ready to apply for financing. In addition, you should periodically review your plan to assure you are on track to achieve the goals you have set and to make any adjustments necessary due to unexpected changes. Remember that this is your roadmap to business success.

Jodi McClintock from SBDC and Mike Tumberello from the GIEC offer free assistance in terms of preparing a business plan. Utilize their knowledge.

jdmclintock@frostburg.edu 888-237-9004 ext. 6
mike.tumbarello@garrettcollege.edu 301.387.3167



FORMING AND REGISTERING YOUR BUSINESS

Select Your Business Structure:

It is highly recommended that you consult an accountant and/or attorney for advice on the best form of business for your venture. For general information on business structures, see page 6.

Create Your Business Structure:

Sole Proprietorships, General Partnerships—require no legal entry formalities except compliance with state and local licensing and taxation requirements.

Corporations, Limited Liability Companies, Limited Partnerships—contact:

State Department of Assessments and Taxation

Corporate Charter Division
301 West Preston Street, Room 809
Baltimore, MD 21201
PH: 410.767.1340
www.dat.state.md.us

Sole Proprietorship
Limited Liability LLP LLC
ltd General Partnership
PLC^C S CORPORATIONS



FORMS OF BUSINESS

Type of Entity	Liability Protection	Tax ID	Advantages	Disadvantages
Sole Proprietorship	No	Social Security Number	Easiest; Low cost; No organizational complexity; Lower tax rates; No double tax	Unlimited personal liability
Corporation— C Corp	Yes	EIN Number	Limited shareholder liability; Shareholders not taxed until income is distributed to them	Double tax; Losses are “trapped” at the corporate level and cannot be passed on to shareholders.
Corporation— S Corp	Yes	EIN Number	Limited liability; Low individual tax rates apply	Profits & losses cannot be shared disproportionately; Limited flexibility in structuring ownership
Partnership— General	Unlimited	EIN Number	High degree of flexibility; Profits may be shared disproportionately; Low individual tax rates; No double tax	Some partnership structures are complex; Complex tax rules apply when profits & losses are shared disproportionately
Partnership— Limited	Liability limited to capital contribution	EIN Number	High degree of flexibility; Profits may be shared disproportionately; Low individual tax rates; No double tax	Some partnership structures are complex; Complex tax rules apply when profits & losses are shared disproportionately
Limited Liability Company	Yes	EIN Number	Maximum flexibility in dividing profits & losses, if more than 1 person; Single level of taxation	Check with an accountant for tax rules, if more than 1 person involved

Please note: you should seek the advice of qualified professionals before forming your business entity.

CHOOSING AND REGISTERING A BUSINESS NAME

Choosing a name for your business is fun, but not always easy. Here are some practical hints for choosing a name:

1. Make it distinctive, if possible. Make it stand out from the crowd.
2. Avoid humor. What you think is funny may not be funny to your potential market.
3. Shun grandiose descriptors. "Supreme," "Universal," "Federal," and so forth have been overworked to the point of meaninglessness and have the potential of working against you.
4. Don't pick the first name that comes to you. Several reasons for this: your first choice may already be in use by someone else; you may like it but no one else does; you may understand what you're trying to convey with the name but no one else does. Make a list of possible names, then ask family and friends their opinions and check to make sure no one else is using that same name.
5. Try your business name out on some people who don't know you and/or your business idea. Your family and friends might not want to hurt your feelings by giving a true opinion of your potential business name. A business consultant, SCORE representative, or Small Business Development and Technology Center advisor doesn't have the same emotional connection to you and, therefore, can be brutally honest.

Once you determine an appropriate name for your business, you need to make sure it is available for your use. The State of Maryland Trade Name Registration process can be done online, including doing a Corporate Name Availability Search by going to www.dat.state.md.us. The easy to follow links will help you determine the availability of your chosen name and then get you registered with the state. The Trade Name Application and Instructions are at: www.dat.state.md.us/sdatweb/nameappl.pdf.

You can also search for availability and register your trade name by phone, fax, and mail.

State Department of Assessments and Taxation

Trade Name Search and Registration
301 West Preston Street
Baltimore, MD 21201
Phone: 410.767.1340 or 888.246.5941
www.dat.state.md.us



TAXES AND REGULATORY REQUIREMENTS

REQUIRED OF ALL BUSINESSES:

- Federal estimated income taxes, quarterly
- Federal income tax returns
- State and/or local income estimated income taxes, quarterly
- State income tax returns
- Application for federal identification number ([Form SS-4](#))
- Form 1099 information returns
- Registration as an employer with the State
- Local business license
- Fictitious Business Name/Trade Name Registration (if using a fictitious name for the business)
- Trader's license (to offer goods for sale)



REQUIRED WHEN FIRST EMPLOYEE IS HIRED:

- Application for employer identification number ([Form SS-4](#))
- Payroll tax returns (federal)
- File and provide W-2s to employees
- Complete INSZ Form I-9 for each new hire
- Federal and State child labor laws
- Federal wage and hour regulations/laws
- Workers' compensation insurance
- Post notices for employees' information
- Register if you employ 5 or more people



Please note: consult with an accountant and/or attorney to make sure you are in compliance with any and all regulations that apply to your business.

Personal Property Tax Information

In Maryland, businesses must pay an annual tax based on the value of their personal property (furniture, fixtures, tools, machinery, equipment, etc.). The Department of Assessments and Taxation (DAT) administers the valuation process, while the municipalities collect the tax based on the location of the property. There is no personal property tax in Garrett County.

The DAT automatically registers corporations, limited liability companies, and limited partnerships for this tax when these legal entities form. All other businesses (sole proprietorships, general partnerships) that own or lease personal property or need a business license are required to:

1. Obtain an identification number by registering with the Department of Assessments and Taxation, and
2. File an annual personal property return.

For information regarding personal property assessments, contact:

State Department of Assessments and Taxation

Personal Property Division

301 West Preston Street, Room 809

Baltimore, MD 21201

PH: 410.767.4991 (sole proprietors, general partnerships)

PH: 410.767.1170 (corporations, limited partnerships, limited liability companies)

www.dat.state.md.us

Or in Garrett County, contact:

Supervisor of Assessments

Frederick A. Thayer, III Courthouse

203 South Fourth Street, Room 106

Oakland, MD 21550

PH: 301.334.1950

Email: gar@dat.state.md.us



State Tax Information

All businesses must fulfill their tax obligations to the State of Maryland. To help determine the taxes for which your business will be liable, complete [Maryland's Combined Registration Application](#). The most current form can be reviewed and completed online at: <https://interactive.marylandtaxes.com/webapps/comptrollercra/entrance.asp>.

For questions or assistance, contact:

Taxpayer Registration Assistance Center

301 West Preston Street

Room 206

Baltimore, MD 21201

PH: 410.767.1300

www.comp.state.md.us

OR

112 Baltimore Street

Second Floor

Cumberland, MD 21502

PH: 301.777.2165 / 301.334.8880

Federal Tax Information

All businesses must fulfill their tax obligations to the federal government. New businesses should contact the Internal Revenue Service (IRS) to register for:

1. Employer tax identification number (EIN)
2. Income tax (business and employee withholding)
3. Social Security
4. Federal unemployment insurance
5. Other federal taxes



The [Federal EIN Number Application](https://www.federal-irs-ein.com/ein-number/) can be completed and submitted online at <https://www.federal-irs-ein.com/ein-number/>.

The IRS provides business kits for three types of businesses: sole proprietorships, partnerships, and corporations. For additional information, contact:

Internal Revenue Service

31 Hopkins Plaza

Baltimore, MD 21201

PH: 410.962.2590 / 800.829.1040

www.irs.gov

OR

14701 National Highway

LaVale, MD 21502

PH: 301.729.6397

State and Local License Requirements

A State of Maryland business license is required for most businesses, including retailers and wholesalers. **A trader's license is required for buying and reselling.**

Business activities that require licenses include, but are not limited to:

Amusements	Farm machinery	Restaurants
Auctions	Garages	Retail stores
Chain stores	Hawkers and peddlers	Storage warehouses
Construction	Junk dealers	Traders
Dry cleaners	Plumbing/ and gas fitters	Vending machines

Information about licensing is available from the Department of Business and Economic Development's [Business Licensing Information System \(BLIS\)](http://choosemaryland.org/blis/Pages/Default.aspx) at <http://choosemaryland.org/blis/Pages/Default.aspx>.

You can also register your business, obtain licensing information, and fast track a project using [Maryland Made Easy](http://easy.maryland.gov). This site can be accessed at <http://easy.maryland.gov>.

To determine whether your particular business activity requires licensing by Garrett County and needs to have additional licenses and permits, contact:

Clerk of the Circuit Court

Frederick A. Thayer, III Courthouse

203 South Fourth Street, Room 109

Oakland, MD 21550

PH: 301.334.1937

Regulatory Licenses

Department of Labor, Licensing, and Regulation:

The [Department of Labor, Licensing, and Regulation](http://www.dllr.state.md.us/) (DLLR) is a major occupational and professional licensing agency in the State of Maryland. The Department is also responsible for the enforcement of commerce, employment, and workplace and public safety laws. For additional information, call 410.230.6001 or visit www.dllr.state.md.us/.

The DLLR is comprised of several divisions, including, but not limited to:

1. Division of Occupational and Professional Licensing—

The [Division of Occupational and Professional Licensing](http://www.dllr.state.md.us/license/) regulates many business occupations and professions. For additional information, call 410.230.6231 or visit www.dllr.state.md.us/license/.

In addition to state and local business licenses, individuals working in specific occupations and professions may also be required to obtain occupational or professional licenses. Occupations and professions that require occupational or professional licenses include, but are not limited to:

Architects	HVAC & Refrigeration
Barbers	Home Improvement Contractors
CPAs	Master Electricians
Cosmetologists	Plumbers
Foresters	Professional Engineers



For most occupations and professions, individuals must meet educational and work experience standards, as well as pass a qualifying examination in order to obtain a license.

2. Division of Unemployment Insurance—

The [Division of Unemployment Insurance](http://www.dllr.state.md.us/employment/unemployment.shtml) is responsible for the administration of unemployment insurance laws. New businesses are required to pay unemployment insurance taxes and should contact the Division to establish an account. For additional information, call 800.492.5524 or visit www.dllr.state.md.us/employment/unemployment.shtml.



Soil Conservation, contact:

Garrett County Soil Conservation District

1916 Maryland Highway, Suite "C"

Mt. Lake Park, MD 21550

PH: 301.334.6950

<http://garrettscd.org/>



Zoning and Building Requirements, contact:

Office of Permits and Inspections

Garrett County Department of Community Planning & Development

Frederick A. Thayer, III Courthouse

203 South Fourth Street, Room 208

Oakland, MD 21550

PH: 301.334.7470

Email: permitsandinspections@garrettcountry.org

www.garrettcountry.org/permits-inspections

CHOOSING A BUSINESS LOCATION

Home-Based Versus Commercial Space:

With today's technology, more than 53% of small businesses in the U.S. are home-based. If you are considering a home-based business location, here are some questions you should ask yourself:

1. Is the type of business you want to start or operate appropriate for your home?
2. Does it require storage of a large inventory?
3. Does it involve the use of chemicals or highly flammable materials?
4. Does it involve noise levels that would disturb neighbors?
5. Does it require large numbers of customers to come to your location?
6. Are you legally allowed to operate a business from your home?
7. If you own your home, have you checked any homeowner's covenants and restrictions pertaining to operating a business from your home?
8. If you are renting your home, have you checked your lease pertaining to operating a business from your home?
9. If you live within an incorporated municipality, have you checked with the town/city hall pertaining to any restrictions that apply to a home-based business?

Currently, there are no restrictions at the county level on home-based businesses.

Commercial Space—Lease or Purchase:

The county owns six industrial or business parks, strategically located within the county. For information on space availability and qualification requirements, contact the Garrett County Office of Economic Development at 301.334.1921, economicdevelopment@garrettcountry.org, or www.gcedonline.com.

Numerous private individuals and/or businesses also have commercial space for lease or purchase throughout the county. The Department of Economic Development maintains an available space on its website. This database can be accessed at <http://www.gcedonline.com/site-location-opportunities/available-commercial-sites>.

Other commercial space may be available through private individuals and/or real estate companies.

When considering where your business will be located, the following aspects should be considered:

1. Is there appropriate space currently available that will fit your needs and at a price that is within your budget?
2. Is that space conducive to your type of business, i.e., if your business is retail, will customers be able to find you without difficulty; is there enough parking available both for employees and customers; is there a competing business nearby; etc.?
3. Would any modification need to be made to the space.; and, if so, in the case of a lease, is the landlord willing and able to make those changes or allow you to do so? In the case of purchasing the property, does zoning allow you to make modifications?

If you are planning to purchase property and build for your business needs, you will need to check with **Garrett County's Office of Permits and Inspections** at 301.334.7470 or permitsandinspections@garrettcountry.org for requirements and a building permit. The Office's website can be accessed at www.garrettcountry.org/permits-inspections.

Garrett Information Enterprise Center (GIEC):

The mission of the [Garrett Information Enterprise Center](#) is to support the economic growth of Garrett County by facilitating the development of technology-intensive companies and supporting their evolution from start-up to successful, self-sufficient entities.

More information about the GIEC is available at www.giecworks.com or by calling 301.387.3167.

FINANCING YOUR BUSINESS

There are several options available to you for financing your small business venture in Garrett County. Some of those resources follow. For a more comprehensive list of resources, please see our "Business Resources" booklet.

Bank Financing

Each of these institutions requires a completed business plan for consideration.

First United Bank & Trust

19 South Second Street
Oakland, MD 21550
PH: 301.334.4715 or 888.692.2654
www.mybank4.com

Miners & Merchants Bank

13164 Garrett Highway
Oakland, MD 21550
PH: 301.334.5616
www.minersandmerchantsbank.com

Clear Mountain Bank

12730 Garrett Highway
Oakland, MD 21550
PH: 301.533.2173
www.clearmountainbank.com

Somerset Trust Company

3245 Chestnut Ridge Road
Grantsville, MD 21536
PH: 301.895.3321
www.somersettrust.com

BB&T Bank

305 East Oak Street
Oakland, MD 21550
PH: 301.334.0510
www.bbt.com

WEPCO Federal Credit Union

12826 Garrett Highway
Oakland, MD 21550
PH: 301.334.1431 or 877.334.1431
www.wepcofcu.com

M & T Bank

46 South Second Street
Oakland, MD 21550
PH: 301.334.5458 or 800.724.2440
www.mtb.com

First Peoples Federal Credit Union

12497 National Highway
Grantsville, MD 21536
PH: 301.895.3681 or 800.655.8335
www.firstpeoples.com

ALTERNATIVE FINANCING

If you don't qualify for a traditional bank loan, alternative financing may be available through the following sources:

Farm Credit of the Virginias

13195 Garrett Highway
Oakland, MD 21550
PH: 301.334.8542 or 800.296.8554
www.farmcreditofvirginias.com

Tri-County Council for Western Maryland

(Revolving Loan Fund)
Frostburg State University
One Technology Drive, Suite 1000
Frostburg, MD 21532
PH: 301.689.1300
rdavis@tccwmd.org ext. 108
www.tccwmd.org



Natural Capital Investment Fund (NCIF)

(Micro-loan fund for Garrett, Allegany and Washington Counties)
Seeded with money from the USDA
Hannah Vargason 304-870-2238
hvargason@conservationfund.org
1098 Turner Road
Shepherdstown, WV 25443
www.ncifund.org

TAX CREDITS AND INCENTIVES

One of the greatest advantages of locating your business in this area is the incentives that we can provide:

Town of Oakland Incentives

Oakland Incentive Program:

The Town of Oakland, the Greater Oakland Business Association & Garrett County's Office of Economic Development prefer to work with existing businesses and potential new businesses on a case by case basis. This means that if you are a struggling business, want information on resources to expand your business practice or need incentives in order to get your new business up and running, please contact one of the offices below in order to talk about what incentives may specifically assist you and your business. These conversations can be kept confidential and there are a number of resources that may be available to help you. Incentives applications can be downloaded at <http://www.agreatsmalltown.com/current-incentives.html>

Community Legacy Facade Grant Applications FY'17

The facade program through Community Legacy and the Town of Oakland covers outside improvements to your building or business. There is a required 50% match. There is an application and you will also need to attach any estimates included in your proposal. There is also similar monies available for interior improvements and upper story improvements. For an application or for more information contact Michelle Ross or Gwen Evans 301-334-2691.

County Incentives

County Business Property Tax Credit Program:

The Garrett County Business Property Tax Credit is an incentive for businesses to locate or expand facilities anywhere in the county. For either a new or an expanding business, which meets the eligibility requirements, the amount of the property tax credit shall be equal to 50% of the increase in the county real estate tax levied on the improved property due on any expansion, renovation or capital improvement in the property over the first year, and for the subsequent four year-period, the credit decreases 10% annually.

State Incentives

The Maryland Department of Business and Economic Development (DBED) offers a variety of tax credits and incentives to assist businesses of various industries and sizes, from start-ups to large publicly-held corporations. Two of these programs are detailed below:

Enterprise Zone Tax Credit Program:

Garrett County currently has two Maryland-designated enterprise zones: Northern Garrett Industrial Park and Southern Garrett Industrial/Business and Technology Park. Businesses locating in one of these enterprise zones may be eligible for county and municipal real estate tax credits, as well as income tax credits for job creation. An application is required. Additional information can be found on DBED's website at: www.choosemaryland.org/businessresources/Pages/EnterpriseZones.aspx.

Job Creation Tax Credit:

To encourage businesses expanding or relocating to Maryland, Maryland provides a \$1,000 tax credit to businesses that create new jobs. Certain restrictions apply. An application is required. Additional information can be found on DBED's website at: www.choosemaryland.org/businessresources/Pages/JobCreationTaxCredit.aspx.

For a complete list of Maryland's tax credit programs, please visit DBED's website at: www.choosemaryland.org/businessresources/Pages/TaxCreditPrograms.aspx or view the latest [Guide to Business Tax Credits](#) published by the Maryland Comptroller.

FEDERAL CONTRACTING

Is your business venture one that would profit from federal contracting? To be eligible to bind on federal contracts, your business must be a small business as defined by the size standards set for that type of business entity. Your business must also be organized for profit, located in the United States, and independently owned and operated. In addition, your business must fall under specific certification

Prior to seeking federal contract, you must register your business with the [Central Contractor Registration](#) (CCR) system (www.ccr.gov). The CCR is an online database of companies wanting to do business with the federal government maintained by the federal government.

Once your business has been registered with the CCR, you are ready to complete the [Online Representations and Certifications Application](#) (ORCA) for your business (www.orca.bpn.gov). This process can be completed entirely online or you may download the forms, complete them, and submit them via mail.

The final step is to register with the [General Services Administration](#) (GSA) Multiple Award Schedule to become a GSA schedule contractor (www.gsa.gov/schedules). This will increase your opportunity for contracts across all levels of government.

Important things to remember when seeking a federal contract:

1. Make sure your business is financially sound. If you are successful in obtaining a government contract, you will not receive all of the money at once. It will help to have a clear plan of how your business will stage the benefits of the contract.
2. Search the [Federal Business Opportunities](#) (FedBizOpps) site for contracting opportunities on a regular basis (www.fbo.gov). The needs of federal agencies and available contracting opportunities are listed on this site.
3. Market your business. Simply registering your business is not enough to obtain a federal contract. You will need to market your business to attract federal agencies.

Detailed information on federal contracting can be found at the websites listed above and on the [Small Business Administration's](#) website (www.sba.gov).

HIRING EMPLOYEES

Dependable and loyal—that's how our workforce has been described. Garrett County and the surrounding region offer an available, skilled workforce. There are over 100,000 people within commuting distance. The available labor pool includes the neighboring counties in Maryland, Mineral, Preston, Grant, and Tucker Counties in West Virginia, and Bedford, Somerset, and Fayette Counties in Pennsylvania.



The Maryland State Data Center of the Maryland Department of Planning (MDP) provides easy access to a variety of census data at www.mdp.state.md.us/msdc. The latest unemployment rates for the county and the state can be found on the **MD Department of Labor, Licensing and Regulation (DLLR)** website at www.dllr.state.mdus/lmi/index.html or by contacting them at:

Maryland Department of Labor, Licensing, and Regulation
500 North Calvert Street, Room 401
Baltimore, MD 21202
PH: 410.230.6001

In addition, training programs offered by the State of Maryland and customized programs offered through Garrett College can be developed to meet just about any business need. Contact Julie Yoder at 301.387.3101 or visit its website at www.garrettcollege.edu.

ALTERNATIVES TO HIRING EMPLOYEES

There are several alternatives to hiring employees or supplementing your workforce needs, including the following:

Appalachian Crossroads:

[Appalachian Crossroads](#) is a private non-profit agency serving developmentally disabled adults with programs aimed at assisting individuals to live, work, and socialize in the community in accordance with their preferences and needs. It has developed several successful businesses that provide quality services at fair market rates. Its programs benefit you and your business while providing opportunities for meaningful, productive work and greater independence for its participants.

Mailing services—saving you time, money, and worry.

Grounds maintenance—commercially equipped for year-round services.

Custodial crews—service local businesses, agencies, and organizations and is very interested in the employment and work opportunities that will become available as Garrett County grows and prospers.

Is there something Appalachian Crossroads could be working on now or in the future to assist in finding, preparing, and training people for the jobs or work that will become available with your business or organization? If so, give them a call.

Appalachian Crossroads

39 South Third Street

Oakland MD 21550

PH: 301.334.8449

<http://appalachiancrossroads.com/>



INSURANCE NEEDS

Every business needs insurance. The type and amount of insurance coverage varies greatly from business to business. Seek the advice of an independent insurance agent to determine the appropriate coverage for your business. Here are some things to think about and some questions to answer before calling an insurance agent:

- Determine (or estimate) the dollar value of your business. Consider property owned, stock or inventory purchased. If none of these apply to your business, discuss setting a value with your agent.
- Choose a deductible amount you feel you can handle—\$100, \$200, etc. Ask about credits for taking a higher deductible.
- Determine if you want an actual cash value settlement or replacement cost settlement in the event of a claim.
- Determine the amount of liability coverage needed based on your potential exposure.

In addition, consider the following types of insurance:

Worker's Compensation—If you have one or more employees, you are required to carry Worker's Compensation and Disability.

Disaster Insurance—Consider the worst case scenario for your business and ask about insurance coverage. For instance, if you had to have a temporary location for your business due to a disaster, is there insurance that would cover the additional cost of a temporary location?

Home-based businesses—Do not assume your homeowner's insurance will cover your business in the home. In fact, most homeowner's policies exclude business activities in the home. You will need additional coverage for your business assets as well as liability.

Income Replacement coverage—In the case of a sole proprietor business, being unable to conduct business could be disastrous. Consider insurance that would pay you while you are unable to work. You will need to determine in advance how long you could survive on your own funds before you would invoke the insurance. The longer you can survive without it the lower the premiums will be.

ADDITIONAL RESOURCES

Garrett County Office of Economic Development:

Whether your company is a booming, high-tech business or a start-up retail store, our office can assist you in many ways. Our goals include:

- Working with existing businesses to help them stay vibrant and to grow/expand
- Working with local entrepreneurs to help them establish business operations
- Working to attract new businesses to the area
- Working to improve the infrastructure to promote business growth
- Working to assist entrepreneurs to gain access to capital, training, and other resources to promote business growth

For more information, call 301.334.1921 or visit www.gcedonline.com.

Tri-County Council for Western Maryland (TCCWMD):

The [Tri-County Council for Western Maryland](http://www.tccwmd.org) is a regional, private, nonprofit, planning and development organization. It serves Allegany, Garrett, and Washington Counties in Western Maryland.

The Council furthers economic, cultural, social, and physical growth in the region by promoting area awareness and action, and by diversifying the economy. This is accomplished with specific programs to:

- Provide low interest business loans
- Provide export assistance
- Provide market data and GIS services
- Provide federal procurement assistance



For more information, call 301.689.1300 or visit www.tccwmd.org.

Small Business Development Center (SBDC):

Whether you are simply thinking about starting a business or need to focus on a particular operational aspect, the knowledge gained from its training courses will prove invaluable. By sharing ideas and issues with entrepreneurs with similar experiences, you will also have the opportunity to establish beneficial professional relationships.

[SBDC](#) training programs are designed with you in mind. Most courses are offered in the evening, either for free or for a minimal fee, and are taught by skilled professionals.

Here are examples of some of SBDC's most popular topics:

- Developing a Business Plan
- Elevator Speeches—Your Ride to the Top!
- Facebook for Business
- Franchising—An Alternative Approach to Small Business Ownership
- Power of Online Surveys
- Ready, Set, Go! Are you Ready to Start a Business?
- Smart Start Your Business
- Social Media Marketing Made Simple
- Understanding Business Insurance



Jodi McClintock@frostburg.edu 888-237-9004 ext. 6, or visit www.westernmdsbdc.org.

Maryland Technology Development Corporation (TEDCO):

[TEDCO](http://www.tedco.md) provides a variety of funding programs for technology development, including, but not limited to:

- Incubator Business Assistance Fund
- Rural Business Innovative Initiative (RBI2)
- Technology Commercialization Fund (TCF)



For additional information, call 410.740.9442 or visit www.tedco.md.

Garrett County Chamber of Commerce:

The [Garrett County Chamber of Commerce](http://www.garrettchamber.com) is charged with supporting local businesses and promoting tourism in Garrett County. The Chamber offices are located in the Visitors Center in McHenry.

The Chamber sponsors Business After Hours and Business Before Hours receptions that offer social and networking opportunities for members in a casual atmosphere. These gatherings are hosted by members at their place of business and are open to everyone in the community.

Call 301.387.4386 or visit www.garrettchamber.com for additional information.

Greater Oakland Business Association (GOBA):

The [Greater Oakland Business Association](http://www.oaklandmd.com) began as a voluntary business association, but in 1990, by Ordinance enacted by the Mayor and Town Council, it became a Commercial District Management Authority (CDMA). The CDMA designation allowed the Town to, in essence, create a special taxing district within the Town limits and require all businesses to belong to GOBA.

All businesses within the corporate limits of Oakland are assessed a GOBA membership fee each year. In addition, businesses and other organizations outside the Town limits are welcomed as members.

For more information, contact the Oakland Town Hall at 301.334.2691 or visit www.oaklandmd.com.

DIRECTORY OF AGENCIES / RESOURCES

Oakland Agencies

Greater Oakland Business Association

Oakland City Hall
15 S. Third Street
Oakland, MD 21550-0447 – PH: 301.334.2691
www.agreatsmalltown.com

Town of Oakland

Oakland City Hall
15 S. Third Street
Oakland, MD 21550-0447 – PH: 301.334.2691
www.oaklandmd.com



DIRECTORY OF AGENCIES / RESOURCES

County Agencies

Clerk of the Circuit Court, Garrett County

Frederick A. Thayer, III Courthouse
203 South Fourth Street, Room 109
Post Office Box 447
Oakland, MD 21550-0447 – PH: 301.334.1937

Economic Development, Garrett County Department of

Frederick A. Thayer, III Courthouse
203 South Fourth Street, Room 208
Oakland, MD 21550
www.gcedonline.com – PH: 301.334.1921

Health Department, Garrett County

1025 Memorial Drive
Oakland, MD 21550
www.garretthealth.org – PH: 301.334.7777

Office of Permits and Inspections

Community Planning and Development, Garrett County Department of
Public Service Center
2008 Maryland Highway
Mt. Lake Park, MD 21550
www.garrettcounty.org/permits-inspections - PH: 301.334.7470

Office of Planning and Land Development

Community Planning and Development, Garrett County Department of
Frederick A. Thayer, III Courthouse
203 South Fourth Street, Room 210
Oakland, MD 21550
www.garrettcounty.org/planning-land-development – PH: 301.334.1920

Federal Agencies

Internal Revenue Service

31 Hopkins Plaza
Baltimore, MD 21201 – PH: 410.462.7969 or 800.829.1040

14701 National Highway
LaVale, MD 21502 – PH: 301.729.6397
www.irs.gov

State Agencies

Assessments and Taxation, State Department of

301 W. Preston Street, Rm. 809

Baltimore, MD 21201

www.dat.state.md.us

- Corporate Charter Division – PH: 410.767.1340
- Personal Property Division
 - Sole Proprietorship, General Partnership – PH: 410.767.4991
 - Corporations, Limited Partnerships, LLC – PH: 410.767.1170
- Trade Name Search and Registration – PH: 410.767.1340

Assessments and Taxation, State Department of

Supervisor of Assessments

Frederick A. Thayer, III Courthouse

203 South Fourth Street, Room 106

Post Office Box 388

Oakland, MD 21550-0388 – PH: 301.334.1950

Business and Economic Development, Maryland Department of

World Trade Center

401 East Pratt Street

Baltimore, MD 21202

www.maryland.gov – PH: 800.541.8549 / 410.767.6300

MD Department of Commerce

Sr. Business Development Representative-Andrew Sargent

401 E. Pratt Street Baltimore, MD 21202

Baltimore, MD 21502 – PH: 443.447.4999

www.maryland.gov/business

Labor, Licensing, and Regulation, Department of

500 North Calvert Street

Baltimore, MD 21202

www.dllr.state.md.us – PH: 410.230.6001

- Division of Labor and Industry – PH: 410.767.2236
- Division of Occupational and Professional Licensing – PH: 410.230.6231
- Division of Unemployment Insurance – PH: 800.492.5524
- Office of the Commissioner of Financial Regulation – PH: 410.230.6100

Soil Conservation District

1916 Maryland Highway, Suite “C”

Mt. Lake Park, MD 21550

www.garrettscd.org – PH: 301.334.6950

Taxpayer Registration Assistance Center, Maryland

301 West Preston Street, Room 206

Baltimore, MD 21201

www.comp.state.md.us – PH: 410.767.1300

State Agencies (cont.)

Taxpayer Registration Assistance Center, Maryland

112 Baltimore Street, Second Floor
Cumberland, MD 21502 – PH: 301.777.2165 or 301.334.8880

Other Resources

Appalachian Crossroads

39 South Third Street
Oakland, MD 21550
www.appalachiancrossroads.com – PH: 301.334.8449

BB&T Bank

305 East Oak Street
Oakland, MD 21550
www.bbt.com – PH: 301.334.0510

Chamber of Commerce, Garrett County

15 Visitors Center Drive
McHenry, MD 21541
www.garrettchamber.com – PH: 301.387.4386

Clear Mountain Bank

12730 Garrett Highway
Oakland, MD 21550
www.clearmountainbank.com – PH: 301.533.2173

Farm Credit of the Virginias

13195 Garrett Highway
Post Office Box 187
Oakland, MD 21550-0187
www.farmcreditofvirginias.com – PH: 800.296.8554 / 301.334.8542

First Peoples Community Federal Credit Union

12497 National Highway
Grantsville, MD 21536-0545
www.firstpeoples.com – PH: 301.895.3681 / 800.655.8335

First United Bank and Trust

19 South Second Street
Post Office Box 9
Oakland, MD 21550
www.mybank4.com – PH: 301.334.4715 / 888.692.2654

Other Resources (cont.)

Garrett College

687 Mosser Road
McHenry, MD 21541
www.garrettcollege.edu – PH: 301.387.3000

Garrett College

Office of Continuing Education and Workforce Development

687 Mosser Road
McHenry, MD 21541 – PH: 301.387.3101

Garrett College

Center for Entrepreneurship and Innovation

685 Mosser Road
McHenry, MD 21541
www.giecworks.com – PH: 301.387.3167

Garrett County Development Corporation

(Revolving Loan Fund)
Garrett County Department of Economic Development
Frederick A. Thayer, III Courthouse
203 South Fourth Street, Room 208
Oakland, MD 21550
www.gcdevcorp.com – PH: 301.334.1921

Garrett Information Enterprise Center (GIEC)

685 Mosser Road
McHenry, MD 21541
www.giecworks.com – PH: 301.387.3167

Greater Grantsville Business Association (GGBA)

Post Office Box 790
Grantsville, MD 21536-0790
www.grantsvillemd.com – PH: 301.895.3826

Greater Oakland Business Association (GOBA)

Oakland Town Hall.
15 South Third Street
Oakland, MD 21550
www.oaklandmd.com – PH: 301.334.2691

M & T Bank

46 South Second Street
Oakland, MD 21550301.334.5458
www.mtb.com – PH: 800.724.2440

Maryland Technology Development Corporation (TEDCO)

5585 Sterrett Place, Suite 240
Columbia, MD 21044
www.tedco.md – PH: 410.740.9442

Other Resources (cont.)

Small Business Development Center Western Maryland Region – Garrett County Office

Garrett College
685 Mosser Road
McHenry, MD 21541
www.westernmdsbdc.org – PH: 888.237.9007, ext. 6

Small Business Development Center Western Maryland Region

Frostburg State University
One Technology Drive, Suite 1100
Frostburg, MD 21532
Jodi McClintock@frostburg.edu 888-237-9004 ext. 6, or visit www.westernmdsbdc.org

Tri-County Council for Western Maryland

Frostburg State University
One Technology Drive, Suite 1000
Frostburg, MD 21532
www.tccwmd.org – PH: 301.689.1300

Western Maryland Consortium

215 South Third Street
Oakland, MD 21550
www.westernmarylandconsortium.org – PH: 301.334.8136

Other Important Numbers

Allegheny Power (Potomac Edison)- 1-800-686-0011

<https://www.firstenergycorp.com/fehome.html>

Columbia Gas 1-888-460-4332

<https://www.columbiagaspa.com/>

Garrett County Public Utilities- 301-334-6983

Miss Utility in Maryland 1-800-257-777

<http://www.missutility.net/iticlite/>

Oakland Water Department- 301-334-2691

Oakland Sewer Department- 301-334-2691

Planning and Zoning- 301-334-1920

Procom (phone, internet, cable) -(866) 776-2662

<http://www.4-procom.com/>

Shentel (phone, internet, cable)- 1-800-SHENTEL

<https://www.shentel.com/internet?gclid=CLb1kuKHt84CFYcfhgodlhQHxw>

Verizon (phone, internet, cable)- 1 (800) 837-4966

http://www.verizon.com/home/verizonglobalhome/ghp_business.aspx

APPENDICES

APPENDIX “A”

Writing a Plan for Your Business

For most people writing a business plan seems overwhelming and, unless seeking funding from a financial institute, unnecessary. However, the main purpose of the business plan is not to impress outsiders, but to force the potential business owner to think through all aspects of starting the business. A business plan doesn't guarantee the success of your business but it certainly increases your chances of reaching your business goals.

- A well thought out business plan will:
- Make you look at all aspects of your business idea
- Become a tool to manage your business
- Allow you to easily share your goals and objectives with others
- Create a yardstick by which to measure and evaluate changes in your business
- Be a requirement by lenders if you need funds now or in the future

It is **your** business; therefore, it is vital that **you** develop the business plan. But you don't have to do it yourself. There are numerous resources available to help you develop and format the plan starting with the information that follows here. There is also a business counselor available to meet with you and help you through the process. Before meeting with the counselor, it is helpful to have as much information about your business idea as you can on paper. Start with the outline below and fill in as much as you know now then make an appointment with the counselor to review this information and determine your next step. The form and content of a business plan varies with each business but every plan includes a description of all aspects of the business and a financial proposal.

Suggested Outline for Your Business Plan:

Cover Sheet—The cover sheet should include the name of the company, the name(s) of the owners (sometimes called *Principles*) and contact information.

Executive Summary—The Executive Summary is usually 1-2 pages of a summary of all the other information in the business plan; therefore, it is written **AFTER** you write the rest of your business plan. Include the following information in the Executive Summary:

- Who is borrowing the money?
- What type of business it will be such as retail, service, wholesale, etc.)?
- How much money is needed and what will the money be used for (equipment, inventory, working capital, etc.)?
- Why does this business idea make sense?
- What makes you (and any others involved in this business) qualified to run this business?
- State facts about why you believe there is enough of a market to make this a successful business.

- What makes your business better or more outstanding than your competitors?
- What will be the legal structure of the business?
- How and why do you feel you will be able to repay a loan to this business (if you are applying for funding)?

The Actual Plan—This is the meat of the plan. Start with why you have the desire to have this kind of business. Then take each of the elements below and fill in all the information you have.

Description of the Business—Is it a manufacturing, service, merchandising, or retail business?

- Are you just starting up a business, expanding an existing business, or purchasing an existing business?
- What will the legal form of business be? Sole proprietorship, Limited Liability Company (LLC), Partnership (what kind?), or a corporation (S or C)?
- Why do you believe the business is or will be profitable?
- When did the business start or when will it start?
- What will be the hours of business?

The Market—

- What is the purpose of the business? (Answer the question of your customer “what’s in it for me?”)
- What are the products or services of this business?
- What geographic area will the business serve? Who are your customers or potential customers and where are they coming from?
- What are you going to charge for your products or services? Is your price competitive? Why will customers pay this price?
- Who are your competitors (list three to five major competitors)? Where are they located relative to your business? What do they sell and who do they attract?
- What advantages do your competitors have compared to you and what advantages do you have over your competitors? Why should potential customers patronize your business as opposed to theirs? What makes your products or business better or unique?
- How will your business capture a share of the market? What type of advertising will you do? How are you going to promote your business (price, service, quality, etc.)?
- How much business can you realistically expect to do. What would your limitations be?

Location of the Business—

- Where will the business be located (street address)?
- Describe the physical features of the facility. Explain how the space is or will be used. (Attach a drawing if necessary.)
- Do you own, rent or lease the property? If you rent or lease, describe the terms of the agreement and attach a copy in the Appendix at the end.

- What renovations, if any, are needed to the facility? How much will they cost and who will do them? Attach an estimate if you are hiring someone else to do the renovations.
- Are there any local regulations such as zoning that may affect the operation of your business?
- What other types of businesses are in the area?
- Why is this a good location?
- What is the growth potential of the facility and area?

Management—

- Provide a personal history of the business owner(s). Include your education and work related experience. In other words, why are you qualified to operate this business?
- What are the duties and responsibilities (who does what and who reports to whom)?
- What are your weaknesses and how do you plan to correct them. For instance, if your strong point isn't to manage people, you might hire a manager to do that.
- Why do you think you're going to be successful?

Resources—

List anyone who is assisting you in starting or operating this business. Who is your accountant, lawyer, insurance agent, bank, business and professional organizations that may have advised you?

- Have you spoken with an architect, builder, engineer, electrician, plumber?
- Will you need any full, part-time, or seasonal employees? If so, how many and when? If not, explain why you will have none.
- Discuss future needs for employees.
- What skills will you require your employees have in place? Will you train them? How much will you pay them? Will you offer any fringe benefits?

Operational Plan—

- Do or will you have enough inventory, equipment, machinery, fixtures and supplies?
- What else needs to be put into place to get started or reopen after expansion?

Use of Funds—

- How will the proceeds of the loan be spent? Be very specific.
- What specific assets are being purchased?
- Real Estate purchase (attach legal description, appraisal, sales agreement, etc.)
- Renovations (attach quotes from contractors)
- Equipment (attach detailed itemized list including brand name, serial number, model number, price, suppliers names, etc.)
- Working Capital (what is it to be spent on?)
- Inventory

Financial Plan—

It is helpful to put this information into a spreadsheet format such as Excel. If you don't have access to a computer or need help with developing a spreadsheet, a business counselor or accountant can help you.

- What are your total estimated business sales and expenses for the first three years? Your cost of goods sold?
- What will be your monthly cash flow during the three years? (How much money do you think will come in and how much will you have to spend each month for the business?)
- What will be the break-even point? (When will you earn as much money as you will be spending?)
- What will be your assets, liabilities, and net worth on the day before you expect to open (this is your balance sheet)?
- What will the capital value of your equipment be?

Supporting Documents—

Attach the following as Appendix items at the end of your business plan:

- Resume for each owner.
- Personal Financial Statement for each owner.
- Quotes or estimates.
- Demographic data that supports your assumptions of the potential market.
- Letters of intent or contracts from current or prospective customers.
- Copies of tax returns for the past 3 years (personal/business).
- Lease or buy/sell agreements.
- Legal documents pertaining to the business.
- Architectural drawings and permits when needed.

Sample Format for a Business Plan

Business Plan for

XYZ Company
A Paint and Lawn Service Company

1234 Business Lane
Oakland, MD 21550

Prepared for the

(Name and address of group or lending institute)

Owners: (name of owner(s))
Address
City, State, Zip

Phone: (xxx) xxx-xxxx
Cell: (xxx) xxx-xxxx

Email: xxxxxxxx@xxx.xxx

Table of Contents

Business Plan Summary	3
Operating Plan	4
Schedule	4
Daily Operations	5
Equipment	5
Suppliers	5
Inventory	6
Contingencies	6
Administrative Plan	6
Management Team	6
Staffing	7
Facilities	7
Financial Plan	8
Marketing Plan	8
Summary	9
Appendix	
A - Principles Resumes	
B – Income Sources and Use	
C –Projected Income and Expense Spreadsheet	

XYZ Company

Business Plan Summary

XYZ Company will provide residential and commercial services that include but are not limited to lawn maintenance and painting services with an emphasis on excelling in customer service. There is a growing market potential for this small service industry. The local growth of tourism, building, and construction activities, residential and rental property increases all bode well for customer oriented small business. And demands continue to rise. We will provide timely and personalized service to a customer base that is frequently heard complaining of slow, impersonal response, or no response, to requests for small projects or jobs. Our competitors seem to have outgrown the individual customers' needs. We will fill that niche.

We will balance our residential and commercial customer base so as to be able to provide timely, quality, competitively priced services as well as provide employment year round for our employees. We will deliberately seek long term, slow, consistent growth of our client base, services available, employee growth, profits, and improved quality of equipment and corporate infrastructure. We believe this will provide the best service to our customers and employees, and provide better long-term results.

The principles involved are highly qualified with many years of experience specific to personnel management, fiscal responsibility, real estate and rental markets, general labor and providing services - safety, security, project management, office management, and customer service. They have combined experience exceeding 26 years and a wide range of diversity including the personnel supervision of up to 75 people, capital equipment purchases, \$1.5 million dollar budgets over site, supply purchasing and distribution, cost center tracking, training, and general management. (Appendix A)

We project, based on the last 3 years' tax records available (See Appendix B), that the first year of operation will have gross billings of \$165,000 dollars with a projected growth of 10-15% during the first year, and 5% growth for subsequent years. These estimates are based on the fact that the current owner has been downsizing the business with the goal of retiring.

We are requesting financial assistance totaling \$xxxx.xx. The owners will provide \$xxxx.xx of their own funds for a total of \$xxxxxx.xx needed to establish this business.

XYZ Company

Business Plan Details

Customer service complaints are getting more and more publicity, even in TV commercials. Even in Garrett County, known for its friendliness and inviting nature, there are complaints that the small job request is put on the back burner or totally ignored in favor of the high end requests for services. It is expected that the growth of second homes as well as full-time residents of the area will continue although perhaps not at the current rate. There is now and will continue to be a need into the future of small businesses that put the customer's needs first, regardless of the size of the job. XYZ Company's mission is to provide true customer service with lawn services, painting services, and other related services to meet the needs of this area.

Operating Plan: When we receive a request for service, the first step will be to return the customer call as soon as possible, preferably within 1-2 hours of initial contact. We will ascertain the services requested and arrange for time to meet and perform an estimate. Meet for a site visit, obtain specifics of job/service requested, pertinent information, and inform customer of approximate date estimate will be completed (variable due to complexities, supplies/equipment required). The General Manager (GM) will finalize and submit the estimate for the customer's review. If accepted by customer, an estimated start date will be provided. If refused, a follow up call or visit will be made to clarify the job parameters and to ensure the estimate is accurate and clear. Materials/equipment and personnel will be purchased/rented and scheduled as the start date nears. The customer will be informed of any unexpected issues or schedule changes immediately. Start/complete the job, invoice customer with agreed upon terms of payment. Follow up on collections. The GM and the service division foremen will communicate openly regarding personnel, job scheduling, and material requirements to allow for smooth operation transitions, timely customer service, and to minimize non-productive personnel time and activities. The GM and foremen will also compare prices, quality of goods, dependability of goods, and reliability of suppliers to obtain cost efficient quality goods to meet the customer needs and allow for accurate estimating of costs. GM will perform visits during job performance and completion to ensure customer satisfaction.

Schedule:

- Secure Contract for purchase of land and buildings
Appendix X Oct 00
- Secure financing from Banking Institution
Appendix Y Nov 00
- Identify Closing Date on Business Transactions
- Estimate 15 Dec 16 Dec 00
- Obtain required insurances; workman's comp,
auto policies, liability, building, equipment,
loan/mortgage (life) insurance Dec 00
- Business formation Dec 00
- EIN number for Corporation Dec 00
- Establish payroll and general operating checking accounts Dec 00
- Set up office, files, computer, QuickBooks programs Dec 00

Daily Operations: Normal hours of operation will be from 8:00 am – 4:30 pm, Monday thru Friday for employees. Adjustments due to weather or workloads will be announced to employees as soon as possible. Office hours will be 8:00 am – 5:00 pm or as needed. There will be call forwarding on the business phone when out of office during normal office hours so customers will still reach a person when calling. Voice mail will be utilized for after hours. Emergency numbers will be available to employees to reach the foreman and/or GM. Emergency numbers for current customers will also be available.

Business accounts will be established with local paint, and hardware suppliers, gasoline stations, and lumberyards as needed and credit cards issued, to key personnel to allow ease of obtaining necessary support/job items as needed. GM will monitor, control, and limit usage.

Equipment: Current equipment on hand that will convey to the business includes (xxxxxxx). Any addition equipment purchases will be prompted by mechanical failure, expansion of services, increase in personnel, or replacement. One additional vehicle will be necessary for the Lawn Services division in the summer of 2000. Paint and lawn supplies will be purchased as needed for each job or project.

Suppliers: Local retailers and wholesalers will be utilized as much as possible. Paint suppliers include Sherwin Williams, Lowes, The Paint Store, Manor Home Builders, and Naylor's Hardware. Lawn care supplies and fuel can be supplied by local service stations, Manor Home builders, Naylor's Hardware, Southern States, and Agway. There are also several other local suppliers of mulch, fertilizer, and seed that will be utilized pending price comparisons, reliability, and dependability. For repair and non-owner maintenance of equipment, the previously mentioned vendors can provide repair service and there are some local independent repairmen also available.

Inventory: Minimal inventory will be maintained. Common, multiple, and low usage items not specific to a particular job/customer will be maintained in small quantities, such as paint thinner, Japan dryer, or multi-unit common paint colors for specific customers. High and low limits will be established as needed. When work estimates are performed they will include estimate of materials required, colors, and quantity. Items will be purchased as job start date nears to ensure availability. If not a custom color, excess can be returned to retailer. If a partial gallon remains, it will be marked and left with the customer for touch up use.

Contingencies: Negative impact events that could possibly occur include but may not be limited to the following: motor vehicle collision with resultant injuries, death, vehicle and/or equipment loss, workman's compensation event, customer liability event, liability lawsuit, structural fire, theft/loss of equipment, death of a principle, major equipment failure. Most of these events are covered under various insurances we will carry. Life insurance on the principles will cover the loan amount to allow the corporation to continue without the overhead of the loan. Major equipment failure would require replacement purchase, possibly requiring a purchase loan depending on cost and when the failure occurred. Economic down turn would reduce some service customers but the lawns will continue to grow and require service. A large amount of our customer base is related to the tourist industry around Deep Creek Lake and the owners of the rental units will still require paint and lawn services to be competitive for the tourists that will still continue to vacation in the area. The large estate/home owners would probably minimally reduce the services they require.

Administrative Plan: XYZ Company will be a service industry company utilizing columnar/divisional management methodology. There will be a Lawn Services division, a Paint Services division, Special Project division and an Income Property division. Other divisions can be added as necessary to meet future expansion needs. Mr. Smith will be the General Manager (GM) and oversee day to day operations, sales, purchasing, fiscal, and payroll management. The Lawn Service and Paint Service divisions will each have a foreman which will report to and assist the GM in preparing estimates, daily schedules, supply orders, equipment maintenance and oversee daily operations in their respective areas. Special projects will be assigned as appropriate by the GM based on skill requirements, personnel availability, and the nature of the project.

Management Team: Appendix A includes the complete résumés of the principles. In summary, Mr. Smith (GM) has over 20 years organizational, and personnel management experience. This includes formal supervisory and management training, fiscal responsibility for \$1.5 million dollar budget, capital equipment purchases, 8 years security management, 2 years OSHA experience, and Loss/Theft inventory control. In addition, he has twenty-five years general maintenance procedures experience.

Staffing: Staff requirements initially will include a foreman for the Paint Service division and one for the Lawn Service Division. The current employees in these positions have 2-3 years experience and have agreed to stay on in the employ of XYZ Company. The paint division will require one intermediate skilled painter and one painter's helper. One part-time bookkeeper will be hired in Jan 2006 to assist with office/computer/filing work. An accountant will be utilized quarterly to review/audit financial reports. Annually, a CPA will be utilized to prepare tax forms and file another other paperwork required for the corporation.

Facilities: XYZ Company will be located at 1234 Business Lane, Oakland, MD 21550. The office building is 44'x 28', including 3 offices, 1 reception area, 1.75 baths, with a full kitchen, work area, and utility/storage room. The work building is a 60'x 40' metal pole building with 2 – 16' high garage type doors with a heated floor and built in drainage. Both are located on approximately 1.1 acre of land and were constructed in 2002. The location was selected due to availability, potential expansion, commercial business zone, convenient location, work building capacity and flexibility, and income potential of commercial office space.

Financial Plan: The principles of XYZ have income sources of \$ xxxx.xx that will provide for stability during the initial start up phase of the corporation. Mrs. Smith works full time for ABC Company with a monthly salary of \$1300. Both receive full retirement medical benefits at no cost which greatly reduces their personal monthly expenses.

There will be approximately 2 weeks (depending on settlement date) of salary and maintenance expenses that XYZ COMPANY will have for the year 2005. In addition, we will have limited startup costs which include legal fees of approximately \$500, \$500 for MHIC licensing of XYZ COMPANY, utility changeover fees of approximately \$400, vehicle ID signs of \$750. There will be no additional startup costs that are recognized at this time. Mr. & Mrs. Smith will provide approximately \$20,000 as a beginning operating fund to cover startup and other expenses until accounts receivable begin coming in under XYZ Company. (Appendix H)

Our projected 2006 income and expense sheet is attached as Appendix I. These figures are based on the following facts and assumptions:

- Current contacts through Mrs. Smith's employment will include a continuation of painting of rental units and contractor prep work for new construction. In addition, snow removal services are anticipated as soon as XYZ Company begins operations.
- Payroll expenses will fluctuate as business fluctuates. If business is slow, seasonal worker expenses will be less than noted; if business is better, seasonal worker expenses will be in line with that increase.

The income and expenses for 2007 are estimated as follows:

- A 10% increase in income for the year.
- A 3.5% increase in salaries for the year.

The only major expenditure anticipated for 2007 is a used service vehicle (truck). The estimated cost is \$15,000 with a monthly payment of \$275.

Marketing Plan: XYZ Company will develop a marketing plan that includes but is not limited to pursuing bidding on the county lawn mowing contracts.

XYZ COMPANY will offer paint promotions via mailings or newspaper ads. XYZ COMPANY will also establish an e-mail database, particularly for those customers who have second homes in this area. If determined as a feasible marketing tool, a website can be developed at a later date.

All marketing efforts will stress customer service, timeliness, and competitive pricing. We also intend to ensure that when a customer calls they will get to speak to someone, not an answering machine, and all messages to be returned promptly. This seems to be a common complaint amongst customers in the local area, due to the high demand and limited number of service companies.

We project that using a three years' average of past gross billings we will be able to increase gross sales 10-15% the first year and approximately 5% in consecutive years. This increase will allow us to convert the seasonal employee positions to full time positions as well as increase the possibility of adding additional employees as we grow.

APPENDIX "B"

Document link: www.dat.state.md.us/sdatweb/nameappl.pdf.

State of Maryland
Department of Assessments and Taxation
Charter Division

TRADE NAME APPLICATION

NON EXPEDITED FEE: **\$25.00**
EXPEDITED FEE: **ADDITIONAL \$50.00** | TOTAL EXPEDITED SERVICE: **\$75.00**
(Make checks payable to Department of Assessments and Taxation)

1) **TRADE NAME:** *(Only one trade name may appear on this line)*

2) **STREET ADDRESS(ES) WHERE NAME IS USED:** _____

CITY: _____ **STATE:** _____ **ZIP:** _____

Post office box number is only accepted when part of the physical address.

3) **FULL LEGAL NAME OF OWNER OF BUSINESS OR INDIVIDUAL USING THE TRADE NAME:**

If more than one owner, attach an additional sheet listing each owner with his/her address. Be sure each owner signs this form.

4) If the owner is an individual or general partnership, do they have a personal property account (an "L" number)?
Circle one: YES NO

IF YES, WHAT IS THAT NUMBER? _____

IF NO, see item 4 of the Trade Name Application Instructions.

5) **ADDRESS OF OWNER:** _____

CITY: _____ **STATE:** _____ **ZIP:** _____

Post office box number is only accepted when part of the physical address.

6) **DESCRIPTION OF BUSINESS:** _____

I affirm and acknowledge under penalties of perjury that the foregoing is true and correct to the best of my knowledge.

SIGNATURE OF OWNER (AUTHORIZED TITLE)

SIGNATURE OF OWNER (AUTHORIZED TITLE)

SIGNATURE OF OWNER (AUTHORIZED TITLE)

SIGNATURE OF OWNER (AUTHORIZED TITLE)

Room 801—301 West Preston Street-Baltimore, Maryland 21201
Phone: (410) 767-1350 - Fax: (410) 333-7097 – TTY Users call Maryland Relay 1-800-735-2258
Toll Free in MD: 1-888-246-5941 – website: <http://www.dat.state.md.us>

rev. 6/11

TRADE NAME APPLICATION INSTRUCTIONS

General Information

1. The fee is \$25.00. Checks should be payable to: DEPARTMENT OF ASSESSMENTS AND TAXATION

Filings submitted in person at the Charter Division office and processed on a while-you-wait basis, as well as filings by fax are subject to an additional \$50.00 surcharge for Expedited Service. Visit our web page to view our fee schedule and a list of all service fees at <http://www.dat.state.md.us/sdatweb/fees.html>.

Mail the completed form and check to: Charter Division
Department of Assessments and Taxation
301 W. Preston Street, Room 801
Baltimore, Maryland 21201

2. Walk-in hours are 8:30 a.m. to 4:30 p.m. For same day service fees must be paid by check, cash or money order.
3. For expedited faxes, attach a separate completed cover sheet with return mailing address, telephone number, fax number, MasterCard or Visa information, cardholder's signature and credit card expiration date with the application and fax to 410-333-7097. **Do not put credit card information on the trade name application.**
4. Trade name applications must be signed to be accepted.
5. If the name is available and all items on the form are completed, SDAT will accept the filing for record and an acknowledgement, with the filing date will be sent to the "Address of Owner" (unless otherwise stated), ordinarily within 6-8 weeks of acceptance.
6. This filing is effective for five years from the date of acceptance by SDAT. During the last six months of the period the filing may be renewed for an additional five years. If not renewed, the Department will forfeit the trade name and a new application must be filed.

NOTICE: Acceptance of a trade name application does not confer on the owner any greater right to use the name than he otherwise already has. The Department checks the name only against other trade names filed with this Department. Federal trademarks, State service marks, records in other states and trade names are **NOT** meant to reserve the name for its owners, to act as a trademark filing or to confer on the owner any greater right to the name than he already possesses. For further information, contact your lawyer, accountant or financial advisor.

HOW TO COMPLETE TRADE NAME APPLICATION

All blanks on the form must be typed or printed legibly, with black ink, with an original signature (no stamps, Xerox or carbon copy).

Numbers correspond to item numbers on the trade name application:

1. **TRADE NAME** – Only one trade name may appear on this line. To file more than one trade name, complete a separate application for each and send separate checks. **NO trade name may contact a term that implies it is a type of entity that it is not (i.e., if the owner is an individual, "Inc." cannot be in the trade name).** Check the name on the business data search section of our web site – www.dat.state.md.us.
2. **STREET ADDRESS (ES) WHERE NAME IS USED** – List the full address, including street address, city, state and zip code. Post office box number is only accepted when part of the physical address. Out-of-state addresses are acceptable.
3. **FULL NAME OF LEGAL ENTITY OR INDIVIDUAL USING THE TRADE NAME** – Legal entities may be owners of the trade name. If the legal entity is the owner the legal entity must be registered with MD Dept of Assessments and Taxation. If more than one owner, attach an additional sheet listing each owner with his/her address. Be sure each owner signs this form.
4. **UNINCORPORATED ACCOUNT** (answer YES or NO). If yes, indicate unincorporated account number.
Note: All Unincorporated businesses that own or lease personal property (furniture, fixtures, tools, machinery, equipment, etc.) or anticipate owning or leasing personal property in the future, or need a business license must file an annual personal property return with this Department. Registration applications can be obtained by contacting your local Assessment office or by calling (410) 767-4991.
5. **ADDRESS OF OWNER** – List the full address including street address, city, state and zip code. Post office box number is only accepted when a part of the physical address. Attach an additional sheet for all owners' addresses, if needed.
6. **DESCRIPTION OF BUSINESS** – State the nature of business.
7. **SIGNATURE** – Each person listed as an owner must sign. If a legal entity is the owner of the trade name, the person who signs for the entity must list his/her title.

rev. 9/10

APPENDIX "C"

Document link:

<https://interactive.marylandtaxes.com/webapps/comptrollercra/entrance.asp>

FORM **Comptroller of Maryland**
CRA **Combined Registration Application**



2013

12CRA0049

SECTION A: All applicants must complete this section.

1 a. 9 digit Federal Employer Identification Number (FEIN) (See instructions)				b. Social Security Number (SSN) of owner, officer or agent responsible for taxes (Required by law)			
▶				▶			
2. Legal name of dealer, employer, corporation or owner				3. Trade name (if different from Legal name of dealer, employer, corporation or owner)			
▶				▶			
4. Street Address of physical business location (P.O. box not acceptable)			City	County	State	ZIP code (9 digits if known)	
▶			▶	▶	▶	▶	
Telephone number		Fax number		E-mail address			
▶		▶		▶			
5. Mailing address (P.O. box acceptable)			City	State	ZIP code (9 digits if known)		
▶			▶	▶	▶		
6. Reason for applying: ▶ <input type="checkbox"/> New business <input type="checkbox"/> Additional location(s) <input type="checkbox"/> Merger <input type="checkbox"/> Purchased going business <input type="checkbox"/> Re-activate/Re-open (check all that apply) <input type="checkbox"/> Change of entity <input type="checkbox"/> Remit use tax on purchases <input type="checkbox"/> Reorganization <input type="checkbox"/> Other (describe) _____							
7. Previous owner's name: First Name or Corporation Name		Last Name		Title		Telephone number	
▶		▶		▶		▶	
Street address (P.O. box acceptable)			City	State	ZIP code (9 digits if known)		
▶			▶	▶	▶		
8. ▶ Type of registration: (must check appropriate box(es))				Maryland Number if registered:			
a. <input type="checkbox"/> Sales and use tax ▶ _____							
b. <input type="checkbox"/> Sales and use tax exemption for nonprofit organizations ▶ _____							
c. <input type="checkbox"/> Tire recycling fee ▶ _____							
d. <input type="checkbox"/> Admissions & amusement tax ▶ _____							
e. <input type="checkbox"/> Employer withholding tax ▶ _____							
f. <input type="checkbox"/> Unemployment insurance ▶ _____							
g. <input type="checkbox"/> Alcohol tax ▶ _____							
h. <input type="checkbox"/> Tobacco tax ▶ _____							
i. <input type="checkbox"/> Motor fuel tax ▶ _____							
j. <input type="checkbox"/> Transient vendor license ▶ _____							
				9. ▶ Type of ownership: (Check one box)			
				a. <input type="checkbox"/> Sole proprietorship		f. <input type="checkbox"/> Non-Maryland corporation	
				b. <input type="checkbox"/> Partnership		g. <input type="checkbox"/> Governmental	
				c. <input type="checkbox"/> Nonprofit organization		h. <input type="checkbox"/> Fiduciary	
				d. <input type="checkbox"/> Maryland corporation		i. <input type="checkbox"/> Business trust	
				e. <input type="checkbox"/> Limited liability company			
				10. Date first sales made in Maryland: (mmdyyyy) ▶ _____			
				11. Date first wages paid in Maryland subject to withholding: (mmdyyyy) ▶ _____			
				12. If you currently file a consolidated sales and use tax return, enter the 8 digit CR number of your account: ▶ _____			
13. If you have employees enter the number of your workers' compensation insurance policy or binder: ▶ _____							
14. (a) Have you paid or do you anticipate paying wages to individuals, including corporate officers, for services performed in Maryland? ▶ <input type="checkbox"/> Yes ▶ <input type="checkbox"/> No							
(b) If yes, enter date wages first paid (mmdyyyy): ▶ _____							
15. Number of employees: ▶ _____							
16. Estimated gross wages paid in first quarter of operation: ▶ _____							
17. Do you need a sales and use tax account only to remit taxes on untaxed purchases? ▶ <input type="checkbox"/> Yes ▶ <input type="checkbox"/> No							
18. Describe for profit or nonprofit business activity that generates revenue. Specify the product manufactured and/or sold, or the type of service performed.							



FEIN or SSN _____

12CRA0149

- 19a. Are you a nonprofit organization applying for a sales and use tax exemption certificate? Yes No
 If yes, FAILURE TO ENCLOSE REQUIRED DOCUMENTS WILL RESULT IN YOUR APPLICATION BEING REJECTED AND RETURNED. Please provide a non-returnable copy of (1) IRS determination letter, (2) articles of incorporation, (3) bylaws, and (4) other organization documents as specified in the instructions. See page 4, Sales and Use Tax Exemption Checklist and instructions.
- 19b. Are you a non-profit organization exempt under Section 501(c)(3) of the Internal Revenue Code? Yes No
 If no, Section(c)() or Other: Section _____.
20. Does the business have only one physical location in Maryland? (Do not count client sites or off site projects that will last less than one year.) Yes No
 If no, specify how many: _____

21. Identify owners, partners, corporate officers, trustees, or members: (Please list person whose Social Security number is listed in Section A.1b first.)
 *Partnerships and Nonprofit organizations must identify at least two owners, partners, corporate officers, trustees or members. If more space is required, attach a separate statement including the information as shown here.

1	Last Name	First Name	Social Security number	Title	
	Home Address				
	Street address	City	State	ZIP	Telephone
2	Last Name	First Name	Social Security number	Title	
	Home Address				
	Street address	City	State	ZIP	Telephone
3	Last Name	First Name	Social Security number	Title	
	Home Address				
	Street address	City	State	ZIP	Telephone

SECTION B: Complete this section to register for an unemployment insurance account.

PART 1

1. Will corporate officers receive compensation, salary or distribution of profits? Yes No
 If yes, enter date (mmdyyyy): _____
2. Department Of Assessments & Taxation Entity Identification Number _____
3. Did you acquire by sale or otherwise, all or part of the assets, business, organization, or workforce of another employer? Yes No
4. If your answer to question 3 is "No," proceed to item 5 of this section. If your answer to question 3 is "Yes," provide the information below.
- a. Is there any common ownership, management or control between the current business and the former business? Yes No
- b. Percentage of assets or workforce acquired from former business: 0.00% _____
- c. Date former business was acquired by current business (mmdyyyy): 00 _____
- d. Unemployment insurance number of former business, if known: _____
- e. Did the previous owner operate more than one location in Maryland? Yes No How many? _____
5. For employers of domestic help only:
- a. Have you or will you have as an individual or local college club, college fraternity or sorority a total payroll of \$1,000 or more in the State of Maryland during any calendar quarter? Yes No
- b. If yes, indicate the earliest quarter and calendar year (mmdyyyy): _____
6. For agricultural operating only:
- a. Have you had or will you have 10 or more workers for 20 weeks or more in any calendar year or have you paid or will you pay \$20,000 or more in wages during any calendar quarter? Yes No
- b. If yes, indicate the earliest quarter and calendar year (mmdyyyy): _____

FORM **Combined Registration Application**
CRA Checklist



2013

12CRA0349

Sales and Use Tax Exemption Certificate (SUTEC) Checklist

Generally, under Maryland law, if you are applying for a Maryland sales and use tax exemption certificate as a religious, educational, or charitable organization, you must be qualified under Internal Revenue Code (IRC) Section 501(c)(3). You must also be operating your organization out of a physical business location in Maryland, Delaware, Pennsylvania, Virginia, Washington, D.C., or West Virginia. Maryland law provides that you must be in Maryland or one of these adjacent jurisdictions to qualify. Other states DO NOT qualify and your application will be denied.

For the above qualifying organizations, you must complete the following and submit the following documentation. Failure to complete and send all of the following will delay your application.

- Fully complete Combined Registration, Sections A and F.

Section A

- Correct FEIN on line 1.a.
- Full legal name of organization using no abbreviations. Please use lines 2 and 3 if additional space is needed. The legal name must be consistent among documents.
- SSN of the individual responsible for finances/taxes – this is required by law for all organizations, including volunteer run nonprofits. This SSN must match the individual listed first on line 21.
- At LEAST two officers of the organizations completed information, full name, SSN, title, HOME address, and telephone number. Failure to complete this will cause your application to be returned.

Section F

- Signature of an officer of the organization.

- Internal Revenue Service issued IRC 501(c)(3) determination letter (do NOT send your FEIN letter, but a copy of your organization's IRS determination letter.)

- Organizations using Group Exemptions: If you are covered under a group exemption, you must attach a copy of that determination letter and a letter on letterhead from the holder of the group exemption that you are covered under that group number or a current directory, such as the Catholic directory.

- Articles of Incorporation and any amendments. These must be signed.

- Bylaws and any amendments. These must be signed if signature block is provided.

- The Articles of Incorporation or Bylaws must contain a dissolution clause that provide for distribution of assets upon dissolution for exempt purposes conforming to IRS rules.

In addition to the above:

Churches:

Submit a copy of the rental/lease agreement for the location of your worship services if your physical address on the application is not the worship location and you rent/lease a separate location. If you worship out of a personal residence, you must attach an agreement from your local county zoning board, which allows for a home church.

For organizations physically located in Maryland:

You may be required to register as a non-stock or religious organization and be in good standing with the State Department of Assessments and Taxation (SDAT), pursuant to Title 5 of the Corporations and Associations Article. If so, your application cannot be processed until you are in good standing. Please find the SDAT information at <http://www.dat.state.md.us/sdatweb/charter.html> or at 410-767-1340.

For organizations physically located in Delaware:

You MUST attach a certificate of good standing in addition to the above required documentation.

For organizations physically located in Pennsylvania, Virginia, Washington, D.C., or West Virginia:

You MUST attach your home state's sales and use tax exemption and a certificate of good standing from your home state in addition to the above required documentation.

Veterans' Organizations:

Completed CRA, IRS 501(c)(4) or 501(c)(19) letter, and good standing if registered with the Maryland Department of Assessments and Taxation.

Additional documentation may be requested after review of your application.

For all questions, please visit us online at www.marylandtaxes.com or call 410-260-7980 in Central Maryland or 1-800-MD-TAXES (1-800-638-2937) from elsewhere.

Use this application to register for:

- **Admissions and amusement tax account**
- **Alcohol tax license***
- **Income tax withholding account**
- **Motor fuel tax account***
- **Sales and use tax license**
- **Use tax account**
- **Transient vendor license**
- **Sales and use tax exemption certificate (for nonprofit organizations)**
- **Tire recycling fee account**
- **Tobacco tax license***
- **Unemployment insurance account**

* Further registration is required for motor fuel, alcohol or tobacco taxes before engaging in business. The appropriate division of the Comptroller's Office will contact you and provide the necessary forms.

Other requirements

Depending on the nature of your business, you may be required to contact or register with other agencies. The following list may help you determine which agencies to contact.

- **Local Licenses** may be required for corporations or individuals doing business in Maryland. Local licenses may be obtained from the Clerk of the Circuit Court for the jurisdiction in which the business is to be located.
- **Domestic and foreign corporations and limited liability companies** must register with the State Department of Assessments and Taxation, Charter Division, 301 West Preston Street, Baltimore, Maryland 21201-2395 or call 410-767-1340. Each entity must file an annual personal property return.
- **Individuals, sole proprietorships and partnerships** which possess personal property (furniture, fixtures, tools, machinery, equipment, etc.) or need a business license must register and file an annual personal property return with the State Department of Assessments and Taxation, Unincorporated Personal Property Unit, 301 West Preston Street, Room 806, Baltimore, Maryland 21201-2395. For more information call 410-767-4991.
- **Every corporation and association** (domestic or foreign) having income allocable to Maryland must file a state income tax return.
- **All corporations** whose total Maryland income tax for the current tax year can reasonably be expected to exceed \$1,000 must file a declaration of estimated tax. For more information call 410-260-7980 or 1-800-MD TAXES.
- **To form a corporation**, contact the State Department of Assessments and Taxation, 301 West Preston Street, Baltimore, Maryland 21201-2315 or call 410-767-1340.
- **Worker's compensation insurance** coverage for employees is required of every employer of Maryland. This coverage may be obtained from a private carrier, the Injured Worker's Insurance Fund or by becoming self-insured. Contact the IWIF, 8722 Loch Raven Boulevard, Towson, Maryland 21286-2235 or call 410-494-2000 or 1-800-492-0197.

- **Unclaimed property.** The Maryland abandoned property law requires businesses to review their records each year to determine whether they are in possession of any unclaimed funds and securities due and owing Maryland residents that have remained unclaimed for more than three years, and to file an annual report. Contact the Comptroller of Maryland, Unclaimed Property Section, 301 W. Preston Street, Baltimore, Maryland 21201-2385 or call 410-767-1700 or 1-800-782-7383.
- **Charitable organizations** may be required to register with the secretary of state if they solicit the public for contributions. Contact the Secretary of State's Office, Annapolis, Maryland 21401 or call 410-974-5534.
- **Weights and measures.** If you buy or sell commodities on the basis of weight or measure, or use a weighing or measuring device commercially, your firm is subject to the Maryland Weights and Measures Law. To obtain information, call the Department of Agriculture, Weights and Measures Section at 410-841-5790.
- **Food businesses** are required to be licensed with the Department of Health and Mental Hygiene. Contact your local county health department or call DHMH at 410- 767-8400.



Apply for licenses and open accounts at
www.marylandtaxes.com

- Admissions and amusement tax account
- Income tax withholding account
- Sales and use tax license
- Tire recycling fee account
- Transient vendor license
- Unemployment insurance account
- Use tax account

Page 1 of Application

Incomplete applications cannot be processed and will be returned. To ensure that your application is processed without delay, be sure to provide all requested information. Please type or print clearly using a dark ink pen. Before mailing this application, be sure to:

1. Complete all of Section A.
2. Answer all questions in all the other sections that pertain to your business.
3. Sign the application in Section F.
4. Detach this instruction sheet from the application.
5. Mail the application to:

Comptroller of Maryland
Central Registration
Revenue Administration Center
110 Carroll Street
Annapolis, MD 21411-0001

Enter the Federal Employer Identification Number (FEIN) of the applicant. A FEIN is required by: all corporations, LLCs, partnerships, nonprofit organizations, and sole proprietorships who pay wages to one or more employees. A sole proprietorship with no employees, other than self, is not required to have a FEIN. If you do not have a FEIN, one can be obtained by visiting the IRS at www.irs.gov.

Enter the Social Security Number (SSN) of the individual owner of the company, officer, agent of the corporation, or other person responsible for remitting the taxes. Also enter the name of the individual owner, officer or agent responsible for the taxes on the first line of Item 21.

Enter the legal name of the business, organization, corporation (John Smith, Inc.), partnership (Smith & Jones), individual proprietor or professional (Smith, John T.), or governmental agency.

Enter the registered trade name by which your business is known to the public (Example: Smith's Ceramics).

Indicate the type of registration you are seeking. If you are already registered for any of the taxes listed, enter your registration number.

You will need a sales and use tax license if you are required to collect sales and use tax on your sales of tangible personal property and taxable services.

NOTE: If you are not a nonprofit organization but purchase items for resale, you need a resale certificate and not an exemption certificate. Please check box 8.a. to open a valid Maryland sales and use tax account, from which you may issue resale certificates. Unless you are a nonprofit organization, you DO NOT qualify for an exemption certificate.

Exemption certificates are issued to nonprofit charitable, educational or religious organizations, volunteer fire or ambulance companies, volunteer rescue squads, nonprofit cemeteries, federal credit unions and certain veterans organizations, their auxiliaries or their units located in this State. Possession of an effective determination letter from the Internal Revenue Service stating that the organization qualifies under 501(c)(3), 501(c)(4) or 501(c)(19) of the Internal Revenue Code may be treated as evidence that an organization qualifies for this exemption.

Please also see the Combined Registration Checklist on Form CRA, Page 4

You must register for a tire fee account if you will make any sales of tires to a retailer or you are a retailer who purchases

tires from an out-of-state tire wholesaler or other person who does not show payment of Maryland's used tire recycling fees on invoices to you.

Typical activities subject to the admissions and amusement tax include admissions to any place, including motion pictures, athletic events, races, shows and exhibits. Also subject to tax are receipts from athletic equipment rentals, bingo, coin-operated amusement devices, boat rides and excursions, amusement rides, golf greens fees, golf cart rentals, skating, bowling shoe rentals, lift tickets, riding academies, horse rentals, and merchandise, refreshments or a service sold or served in connection with entertainment at a night club or room in a hotel, restaurant, hall or other place where dancing privileges, music or other entertainment is provided.

You must register for an account if you will make any payment that may be subject to income tax withholding, including withholding on the following: eligible rollover distributions, sick pay, annuity, or pension payments; designated distributions; and certain winnings from Maryland wagering. Both employers and payors of Maryland income tax withholding are required to check Box 8.e.

If you make sales of property subject to the sales and use tax from either motor vehicles or from roadside or temporary locations, you must, in addition to any other license required by law, obtain and display a transient vendor license. Transient vendor licenses will be issued and reissued only to persons who have sales and use tax and trader's licenses and who are not delinquent in the payment of any Maryland taxes.

Exhibitors at fairs, trade shows, flea markets and individuals who sell by catalogs, samples or brochures for future delivery do not need transient vendor licenses.

Page 2 of Application

SECTION B.

Complete this section if you are an employer registering for unemployment insurance.

PART 1

All industrial and commercial employers and many nonprofit charitable, educational and religious institutions in Maryland are covered by the state unemployment insurance law. There is no employee contribution.

An employer must register upon establishing a new business in the state. If an employer is found liable to provide unemployment coverage, an account number and tax rate will be assigned. The employer must report and pay contributions on a report mailed to the employer each quarter by the Office of Unemployment Insurance.

Your Entity Identification Number is assigned by the Maryland State Department of Assessments and Taxation. It is an alphanumeric identifier that appears on the acknowledgement received from that Department. The identifier can also be found on that Department's Web site at www.dat.state.md.us. (Domestic and foreign corporations and limited liability companies are assigned a number when registering with that Department. Individuals, sole proprietors and partnerships who possess personal property or need a business license also obtain a number when completing the required registration with the State Department of Assessments and Taxation.)

APPENDIX "D"

Document link: <https://www.federal-irs-ein.com/ein-number/>.

Note: Form SS-4 begins on the next page of this document.

Attention Limit of one (1) Employer Identification Number (EIN) Issuance per Business Day

Effective May 21, 2012, to ensure fair and equitable treatment for all taxpayers, the Internal Revenue Service (IRS) will limit Employer Identification Number (EIN) issuance to one per responsible party per day. For trusts, the limitation is applied to the grantor, owner, or trustor. For estates, the limitation is applied to the decedent (decedent estate) or the debtor (bankruptcy estate). This limitation is applicable to all requests for EINs whether online or by phone, fax or mail. We apologize for any inconvenience this may cause.

Change to Where to File Address and Fax-TIN Number

There is a change to the *Instructions for Form SS-4 (Rev. January 2011)*. On page 2, under the "Where to File or Fax" table, the address and Fax-TIN number have changed. If you are applying for an Employer Identification Number (EIN), and you have no legal residence, principal place of business, or principal office or agency in any state or the District of Columbia, file or fax your application to:

Internal Revenue Service Center
Attn: EIN International Operation
Cincinnati, OH 45999
Fax-TIN: 859-669-5987

This change will be included in the next revision of the *Instructions for Form SS-4*.

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

OMB No. 1545-0003

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested		
	2 Trade name of business (if different from name on line 1)	3 Executor, administrator, trustee, "care of" name	
	4a Mailing address (room, apt., suite no. and street, or P.O. box)	5a Street address (if different) (Do not enter a P.O. box.)	
	4b City, state, and ZIP code (if foreign, see instructions)	5b City, state, and ZIP code (if foreign, see instructions)	
	6 County and state where principal business is located		
	7a Name of responsible party	7b SSN, ITIN, or EIN	
	8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No	8b If 8a is "Yes," enter the number of LLC members ▶	
	8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No		
	9a Type of entity (check only one box). Caution. If 8a is "Yes," see the instructions for the correct box to check.		
	<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises <input type="checkbox"/> Other (specify) ▶ _____ <input type="checkbox"/> Group Exemption Number (GEN) if any ▶ _____		
9b If a corporation, name the state or foreign country (if applicable) where incorporated	State _____ Foreign country _____		
10 Reason for applying (check only one box)			
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Purchased going business <input type="checkbox"/> Other (specify) ▶ _____ <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____			
11 Date business started or acquired (month, day, year). See instructions.	12 Closing month of accounting year		
13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.	14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/>		
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; border-bottom: 1px solid black;">Agricultural</td> <td style="width:33%; border-bottom: 1px solid black;">Household</td> <td style="width:33%; border-bottom: 1px solid black;">Other</td> </tr> </table>		Agricultural	Household
Agricultural	Household	Other	
15 First date wages or annuities were paid (month, day, year). Note. If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶			
16 Check one box that best describes the principal activity of your business. <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Other (specify) _____			
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.			
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," write previous EIN here ▶ _____			
Third Party Designee	Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.		
	Designee's name	Designee's telephone number (include area code) ()	
	Address and ZIP code	Designee's fax number (include area code) ()	
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code) ()	
Name and title (type or print clearly) ▶		Applicant's fax number (include area code) ()	
Signature ▶	Date ▶		

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.¹ See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a-8a, 8b-c (if applicable), 9a, 9b (if applicable), and 10-14 and 16-18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a-6, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10-18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) ²	Complete lines 1-18 (as applicable).
Purchased a going business ³	Does not already have an EIN	Complete lines 1-18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust ⁴	Complete lines 1-18 (as applicable).
Created a pension plan as a plan administrator ⁵	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a-5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	Complete lines 1-5b, 7a-b (SSN or ITIN optional), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1-6, 9a, 10-12, 13-17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	Complete lines 1, 2, 4a-5b, 9a, 10, and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes ⁸	Complete lines 1-18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation ⁹	Complete lines 1-18 (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

² However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

³ Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

⁸ See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

Instructions for Form SS-4

(Rev. January 2011)



Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number (EIN) Use with the January 2010 revision of Form SS-4

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

EIN operations contact information. Contact information for EIN operations at the Philadelphia Internal Revenue Service Center has changed.

- The phone number to use for Form SS-4 applicants outside of the United States has changed to 1-267-941-1099. See the *Note* in the *Telephone* section under *How to Apply*, later.
- The ZIP code for EIN Operations at the Philadelphia Internal Revenue Service Center now includes a ZIP+4 extension. The revised ZIP code is 19255-0525.
- The Fax-TIN number for EIN Operations at the Philadelphia Internal Revenue Service Center has changed to 1-267-941-1040. See the *Where to File or Fax* table on page 2.

Federal tax deposits must be made by electronic funds transfer. Beginning January 1, 2011, you must use electronic funds transfer to make all federal tax deposits (such as deposits of employment tax, excise tax, and corporate income tax). Forms 8109 and 8109-B, Federal Tax Deposit Coupon, cannot be used after December 31, 2010. Generally, electronic fund transfers are made using the Electronic Federal Tax Payment System (EFTPS). If you do not want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make deposits on your behalf. You also may arrange for your financial institution to initiate a same-day wire on your behalf. EFTPS is a free service provided by the Department of Treasury. Services provided by your tax professional, financial institution, payroll service, or other third party may have a fee.

To get more information about EFTPS or to enroll in EFTPS, visit www.eftps.gov or call 1-800-555-4477. Additional information about EFTPS is also available in Publication 966, *The Secure Way to Pay Your Federal Taxes*.

General Instructions

Use these instructions to complete Form SS-4, Application for Employer Identification Number (EIN). Also see *Do I Need an EIN?* on page 2 of Form SS-4.

Purpose of Form

Use Form SS-4 to apply for an EIN. An EIN is a nine-digit number (for example, 12-3456789) assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes. The information you provide on this form will establish your business tax account.



An EIN is for use in connection with your business activities only. Do not use your EIN in place of your social security number (SSN).

Reminders

Apply online. Generally, you can apply for and receive an EIN on IRS.gov. See *How To Apply*, later.



This is a free service offered by the Internal Revenue Service at IRS.gov.

File only one Form SS-4. Generally, a sole proprietor should file only one Form SS-4 and needs only one EIN, regardless of

the number of businesses operated as a sole proprietorship or trade names under which a business operates. However, if a sole proprietorship incorporates or enters into a partnership, a new EIN is required. Also, each corporation in an affiliated group must have its own EIN.

EIN applied for, but not received. If you do not have an EIN by the time a return is due, write "Applied For" and the date you applied in the space shown for the number. Do not show your SSN as an EIN on returns.

If you do not have an EIN by the time a tax deposit is due, send your payment to the Internal Revenue Service Center for your filing area as shown in the instructions for the form that you are filing. Make your check or money order payable to the "United States Treasury" and show your name (as shown on Form SS-4), address, type of tax, period covered, and date you applied for an EIN.

Election to file Form 944. Eligible employers may now elect to file Form 944 annually instead of Forms 941 quarterly. See *Line 14. Do you want to file Form 944?* on page 5 for details.

Electronic filing and payment. Businesses can file and pay federal taxes electronically. Use e-file and the Electronic Federal Tax Payment System (EFTPS).

- For additional information about e-file, visit IRS.gov.
- For additional information about EFTPS, visit www.eftps.gov or call EFTPS Customer Service at 1-800-555-4477, 1-800-733-4829 (TDD), or 1-800-244-4829 (Spanish).

Federal tax deposits. New employers that have a federal tax obligation will be pre-enrolled in EFTPS. EFTPS allows you to make all of your federal tax payments online at www.eftps.gov or by telephone. Shortly after we have assigned you your EIN, you will receive instructions by mail for activating your EFTPS enrollment. You will also receive an EFTPS Personal Identification Number (PIN) that you will use when making your payments, as well as instructions for obtaining an online password.

For more information on federal tax deposits, see Pub. 15 (*Circular E*), *Employer's Tax Guide*.

How To Apply

You can apply for an EIN online, by telephone, by fax, or by mail, depending on how soon you need to use the EIN. Use only one method for each entity so you do not receive more than one EIN for an entity.

Online. Taxpayers and authorized third party designees located within the United States and U.S. possessions can receive an EIN online and use it immediately to file a return or make a payment. Go to the IRS website at www.irs.gov/businesses and click on *Employer ID Numbers*.



Taxpayers who apply online have an option to view, print, and save their EIN assignment notice at the end of the session. (Authorized third party designees will receive the EIN, however, the EIN assignment notice will be mailed to the applicant.)



Applicants who are not located within the United States or U.S. possessions cannot use the online application to obtain an EIN. Please use one of the other methods to apply.

Telephone. You can receive your EIN by telephone and use it immediately to file a return or make a payment. Call the IRS at 1-800-829-4933 (toll free). The hours of operation are 7:00 a.m. to 10:00 p.m. local time (Pacific time for Alaska and Hawaii).

The person making the call must be authorized to sign the form or be an authorized designee. See *Third Party Designee* and *Signature* on page 6. Also see the first *TIP* on page 2.

Note. International applicants must call 1-267-941-1099 (not toll free).

If you are applying by telephone, it will be helpful to complete Form SS-4 before contacting the IRS. An IRS representative will use the information from the Form SS-4 to establish your account and assign you an EIN. Write the number you are given on the upper right corner of the form and sign and date it. Keep this copy for your records.

If requested by an IRS representative, mail or fax the signed Form SS-4 (including any third party designee authorization) within 24 hours to the IRS address provided by the IRS representative.

TIP Taxpayer representatives can apply for an EIN on behalf of their client and request that the EIN be taxed to their client on the same day. **Note.** By using this procedure, you are authorizing the IRS to fax the EIN without a cover sheet.

Fax. Under the Fax-TIN program, you can receive your EIN by fax within 4 business days. Complete and fax Form SS-4 to the IRS using the appropriate Fax-TIN number listed below. A long-distance charge to callers outside of the local calling area will apply. Fax-TIN numbers can only be used to apply for an EIN. The numbers may change without notice. Fax-TIN is available 24 hours a day, 7 days a week.

Be sure to provide your fax number so the IRS can fax the EIN back to you.

Mail. Complete Form SS-4 at least 4 to 5 weeks before you will need an EIN. Sign and date the application and mail it to the service center address for your state. You will receive your EIN in the mail in approximately 4 weeks. Also see *Third Party Designee* on page 6.

Call 1-800-829-4933 to verify a number or to ask about the status of an application by mail.

TIP Form SS-4 downloaded from *IRS.gov* is a fill-in form, and when completed, is suitable for faxing or mailing to the IRS.

Where to File or Fax

If your principal business, office or agency, or legal residence in the case of an individual, is located in:	File or fax with the "Internal Revenue Service Center" at:
One of the 50 states or the District of Columbia	Attn: EIN Operation Cincinnati, OH 45999 Fax-TIN: 859-669-5760
If you have no legal residence, principal place of business, or principal office or agency in any state or the District of Columbia:	Attn: EIN Operation Philadelphia, PA 19255-0525 Fax-TIN: 267-941-1040

How To Get Forms and Publications

Internet. You can download, view, and order tax forms, instructions, and publications at *IRS.gov*.

Phone. Call 1-800-TAX-FORM (1-800-829-3676) to order forms, instructions, and publications. You should receive your order or notification of its status within 10 workdays.

DVD for Tax Products. For small businesses, return preparers, or others who may frequently need tax forms or publications, a DVD containing over 2,000 tax products (including many prior year forms) can be purchased from the National Technical Information Service (NTIS).

To order Pub. 1796, IRS Tax Products DVD, call 1-877-233-6767 or go to www.irs.gov/cdorders.

TIP Tax help for your business is available at www.irs.gov/businesses/.

Related Forms and Publications

The following forms and instructions may be useful to filers of Form SS-4.

- Form 11-C, Occupational Tax and Registration Return for Wagering.
- Form 637, Application for Registration (For Certain Excise Tax Activities).
- Form 720, Quarterly Federal Excise Tax Return.
- Form 730, Monthly Tax Return for Wagers.
- Form 941, Employer's QUARTERLY Federal Tax Return.
- Form 944, Employer's ANNUAL Federal Tax Return.
- Form 990-T, Exempt Organization Business Income Tax Return.
- Instructions for Form 990-T.
- Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.
- Form 1024, Application for Recognition of Exemption Under Section 501(a).
- Schedule C (Form 1040), Profit or Loss From Business (Sole Proprietorship).
- Schedule F (Form 1040), Profit or Loss From Farming.
- Instructions for Form 1041 and Schedules A, B, G, J, and K-1, U.S. Income Tax Return for Estates and Trusts.
- Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.
- Instructions for Form 1065, U.S. Return of Partnership Income.
- Instructions for Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.
- Instructions for Forms 1120.
- Form 2290, Heavy Highway Vehicle Use Tax Return.
- Form 2553, Election by a Small Business Corporation.
- Form 2848, Power of Attorney and Declaration of Representative.
- Form 8821, Tax Information Authorization.
- Form 8832, Entity Classification Election.
- Form 8849, Claim for Refund of Excise Taxes.

For more information about filing Form SS-4 and related issues, see:

- Pub. 15 (Circular E), Employer's Tax Guide;
- Pub. 51 (Circular A), Agricultural Employer's Tax Guide;
- Pub. 538, Accounting Periods and Methods;
- Pub. 542, Corporations;
- Pub. 557, Tax-Exempt Status for Your Organization;
- Pub. 583, Starting a Business and Keeping Records;
- Pub. 966, The Secure Way to Pay Your Federal Taxes for Business and Individual Taxpayers;
- Pub. 1635, Understanding Your EIN.

Specific Instructions

Follow the instructions for each line to expedite processing and to avoid unnecessary IRS requests for additional information. Enter "N/A" on the lines that do not apply.

Line 1. Legal name of entity (or individual) for whom the EIN is being requested. Enter the legal name of the entity (or individual) applying for the EIN exactly as it appears on the social security card, charter, or other applicable legal document. An entry is required.

Individuals. Enter your first name, middle initial, and last name. If you are a sole proprietor, enter your individual name, not your business name. Enter your business name on line 2. Do not use abbreviations or nicknames on line 1.

Trusts. Enter the name of the trust as it appears on the trust instrument.

Estate of a decedent. Enter the name of the estate. For an estate that has no legal name, enter the name of the decedent followed by "Estate."

Partnerships. Enter the legal name of the partnership as it appears in the partnership agreement.

Corporations. Enter the corporate name as it appears in the corporate charter or other legal document creating it.

Plan administrators. Enter the name of the plan administrator. A plan administrator who already has an EIN should use that number.

Line 2. Trade name of business. Enter the trade name of the business if different from the legal name. The trade name is the "doing business as" (DBA) name.



Use the full legal name shown on line 1 on all tax returns filed for the entity. (However, if you enter a trade name on line 2 and choose to use the trade name instead of the legal name, enter the trade name on all returns you file.) To prevent processing delays and errors, use only the legal name (or the trade name) on all tax returns.

Line 3. Executor, administrator, trustee, "care of" name. For trusts, enter the name of the trustee. For estates, enter the name of the executor, administrator, or other fiduciary. If the entity applying has a designated person to receive tax information, enter that person's name as the "care of" person. Enter the individual's first name, middle initial, and last name.

Lines 4a–b. Mailing address. Enter the mailing address for the entity's correspondence. If the entity's address is outside the United States or its possessions, you must enter the city, province or state, postal code, and the name of the country. Do not abbreviate the country name. If line 3 is completed, enter the address for the executor, trustee or "care of" person. Generally, this address will be used on all tax returns.

If the entity is filing the Form SS-4 only to obtain an EIN for the Form 8832, use the same address where you would like to have the acceptance or nonacceptance letter sent.



File Form 8822, Change of Address, to report any subsequent changes to the entity's mailing address.

Lines 5a–b. Street address. Provide the entity's physical address only if different from its mailing address shown in lines 4a–b. Do not enter a P.O. box number here. If the entity's address is outside the United States or its possessions, you must enter the city, province or state, postal code, and the name of the country. Do not abbreviate the country name.

Line 6. County and state where principal business is located. Enter the entity's primary physical location.

Lines 7a–b. Name of responsible party. Enter the full name (first name, middle initial, last name, if applicable) and SSN, ITIN (individual taxpayer identification number), or EIN of the entity's responsible party as defined below.

Responsible party defined. For entities with shares or interests traded on a public exchange, or which are registered with the Securities and Exchange Commission, "responsible party" is (a) the principal officer, if the business is a corporation, (b) a general partner, if a partnership, (c) the owner of an entity that is disregarded as separate from its owner (disregarded entities owned by a corporation enter the corporation's name and EIN), or (d) a grantor, owner, or trustee, if a trust.

For all other entities, "responsible party" is the person who has a level of control over, or entitlement to, the funds or assets in the entity that, as a practical matter, enables the individual, directly or indirectly, to control, manage, or direct the entity and the disposition of its funds and assets. The ability to fund the entity or the entitlement to the property of the entity alone, however, without any corresponding authority to control, manage, or direct the entity (such as in the case of a minor child beneficiary), does not cause the individual to be a responsible party.

If the person in question is an alien individual with a previously assigned ITIN, enter the ITIN in the space provided and submit a copy of an official identifying document. If

necessary, complete Form W-7, Application for IRS Individual Taxpayer Identification Number, to obtain an ITIN.

You must enter an SSN, ITIN, or EIN on line 7b unless the only reason you are applying for an EIN is to make an entity classification election (see Regulations sections 301.7701-1 through 301.7701-3) and you are a nonresident alien or other foreign entity with no effectively connected income from sources within the United States.

Lines 8a–c. Limited liability company (LLC) information.

An LLC is an entity organized under the laws of a state or foreign country as a limited liability company. For federal tax purposes, an LLC may be treated as a partnership or corporation or be disregarded as an entity separate from its owner.

By default, a domestic LLC with only one member is disregarded as an entity separate from its owner and must include all of its income and expenses on the owner's tax return (for example, Schedule C (Form 1040)). Also by default, a domestic LLC with two or more members is treated as a partnership. A domestic LLC may file Form 8832 to avoid either default classification and elect to be classified as an association taxable as a corporation. For more information on entity classifications (including the rules for foreign entities), see the instructions for Form 8832.

If the answer to line 8a is "Yes," enter the number of LLC members. If the LLC is owned solely by a husband and wife in a community property state and the husband and wife choose to treat the entity as a disregarded entity, enter "1" on line 8b.



Do not file Form 8832 if the LLC accepts the default classifications above. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832. See the Instructions for Form 2553.

Line 9a. Type of entity. Check the box that best describes the type of entity applying for the EIN. If you are an alien individual with an ITIN previously assigned to you, enter the ITIN in place of a requested SSN.



This is not an election for a tax classification of an entity. See Disregarded entities on page 4.

Sole proprietor. Check this box if you file Schedule C, or Schedule F (Form 1040) and have a qualified plan, or are required to file excise, employment, alcohol, tobacco, or firearms returns, or are a payer of gambling winnings. Enter your SSN (or ITIN) in the space provided. If you are a nonresident alien with no effectively connected income from sources within the United States, you do not need to enter an SSN or ITIN.

Corporation. This box is for any corporation other than a personal service corporation. If you check this box, enter the income tax form number to be filed by the entity in the space provided.



If you entered "1120S" after the "Corporation" checkbox, the corporation must file Form 2553 no later than the 15th day of the 3rd month of the tax year the election is to take effect. Until Form 2553 has been received and approved, you will be considered a Form 1120 filer. See the Instructions for Form 2553.

Personal service corporation. Check this box if the entity is a personal service corporation. An entity is a personal service corporation for a tax year only if:

- The principal activity of the entity during the testing period (prior tax year) for the tax year is the performance of personal services substantially by employee-owners, and
- The employee-owners own at least 10% of the fair market value of the outstanding stock in the entity on the last day of the testing period.

Personal services include performance of services in such fields as health, law, accounting, or consulting. For more

information about personal service corporations, see the Instructions for Form 1120 and Pub. 542.



If the corporation is recently formed, the testing period begins on the first day of its tax year and ends on the earlier of the last day of its tax year, or the last day of the calendar year in which its tax year begins.

Other nonprofit organization. Check this box if the nonprofit organization is other than a church or church-controlled organization and specify the type of nonprofit organization (for example, an educational organization).



If the organization also seeks tax-exempt status, you must file either Form 1023 or Form 1024. See Pub. 557 for more information.

If the organization is covered by a group exemption letter, enter the four-digit group exemption number (GEN) in the last entry. (Do not confuse the GEN with the nine-digit EIN.) If you do not know the GEN, contact the parent organization. See Pub. 557 for more information about group exemption letters.

If the organization is a section 527 political organization, check the box for *Other nonprofit organization* and specify "section 527 organization" in the space to the right. To be recognized as exempt from tax, a section 527 political organization must electronically file Form 8871, Political Organization Notice of Section 527 Status, within 24 hours of the date on which the organization was established. The organization may also have to file Form 8872, Political Organization Report of Contributions and Expenditures. See www.irs.gov/polorgs for more information.

Plan administrator. If the plan administrator is an individual, enter the plan administrator's taxpayer identification number (TIN) in the space provided.

REMIC. Check this box if the entity has elected to be treated as a real estate mortgage investment conduit (REMIC). See the Instructions for Form 1066 for more information.

State/local government. If you are a government employer and you are not sure of your social security and Medicare coverage options, go to www.ncsssa.org/statessadminmenu.html to obtain the contact information for your state's Social Security Administrator.

Other. If not specifically listed, check the "Other" box, enter the type of entity and the type of return, if any, that will be filed (for example, "Common Trust Fund, Form 1065" or "Created a Pension Plan"). Do not enter "N/A." If you are an alien individual applying for an EIN, see the *Lines 7a–b* instructions on page 3.

• **Household employer.** If you are an individual that will employ someone to provide services in your household, check the "Other" box and enter "Household Employer" and your SSN. If you are a trust that qualifies as a household employer, you do not need a separate EIN for reporting tax information relating to household employees; use the EIN of the trust.

• **Household employer agent.** If you are an agent of a household employer that is a disabled individual or other welfare recipient receiving home care services through a state or local program, check the "Other" box and enter "Household Employer Agent." (See Rev. Proc. 80-4, 1980-1 C.B. 581; Rev. Proc. 84-33, 1984-1 C.B. 502; and Notice 2003-70, 2003-43 I.R.B. 916.) If you are a state or local government also check the box for state/local government.

• **QSub.** For a qualified subchapter S subsidiary (QSub) check the "Other" box and specify "QSub."

• **Withholding agent.** If you are a withholding agent required to file Form 1042, check the "Other" box and enter "Withholding Agent."

Disregarded entities. A disregarded entity is an eligible entity that is disregarded as separate from its owner for federal income tax purposes. Disregarded entities include single-member limited liability companies (LLCs) that are disregarded as separate from their owners, qualified subchapter S subsidiaries (qualified subsidiaries of an S corporation), and certain qualified foreign entities. See the Instructions for Form 8832 and Regulations section 301.7701-3 for more information on domestic and foreign disregarded entities.

For wages paid on or after January 1, 2009, the disregarded entity is required to use its name and EIN for reporting and payment of employment taxes. A disregarded entity is also required to use its name and EIN to register for excise tax activities on Form 637, pay and report excise taxes reported on Forms 720, 730, 2290, and 11-C, and claim any refunds, credits, and payments on Form 8849. See the instructions for the employment and excise tax returns for more information.

Complete Form SS-4 for disregarded entities as follows.

• If a disregarded entity is filing Form SS-4 to obtain an EIN because it is required to report and pay employment and excise taxes (see above) or for non-federal purposes such as a state requirement, check the "Other" box for line 9a and write "disregarded entity" (or "disregarded entity-sole proprietorship" if the owner of the disregarded entity is an individual).

• If the disregarded entity is requesting an EIN for purposes of filing Form 8832 to elect classification as an association taxable as a corporation, or Form 2553 to elect S corporation status, check the "Corporation" box for line 9a and write "single-member" and the form number of the return that will be filed (Form 1120 or 1120S).

• If the disregarded entity is requesting an EIN because it has acquired one or more additional owners and its classification has changed to partnership under the default rules of Regulations section 301.7701-3(f), check the "Partnership" box for line 9a.

Line 10. Reason for applying. Check only one box. Do not enter "N/A." A selection is required.

Started new business. Check this box if you are starting a new business that requires an EIN. If you check this box, enter the type of business being started. Do not apply if you already have an EIN and are only adding another place of business.

Hired employees. Check this box if the existing business is requesting an EIN because it has hired or is hiring employees and is therefore required to file employment tax returns. Do not apply if you already have an EIN and are only hiring employees. For information on employment taxes (for example, for family members), see Pub. 15 (Circular E).



You must make electronic deposits of all depository taxes (such as employment tax, excise tax, and corporate income tax) using EFTPS. See Federal tax deposits must be made by electronic funds transfer on page 1; section 11, Depositing Taxes, in Pub. 15 (Circular E); and Pub. 966.

Banking purpose. Check this box if you are requesting an EIN for banking purposes only, and enter the banking purpose (for example, a bowling league for depositing dues or an investment club for dividend and interest reporting).

Changed type of organization. Check this box if the business is changing its type of organization. For example, the business was a sole proprietorship and has been incorporated or has become a partnership. If you check this box, specify in the space provided (including available space immediately below) the type of change made. For example, "From Sole Proprietorship to Partnership."

Purchased going business. Check this box if you purchased an existing business. Do not use the former owner's EIN unless you became the "owner" of a corporation by acquiring its stock.

Created a trust. Check this box if you created a trust, and enter the type of trust created. For example, indicate if the trust is a nonexempt charitable trust or a split-interest trust.

Exception. Do not file this form for certain grantor-type trusts. The trustee does not need an EIN for the trust if the trustee furnishes the name and TIN of the grantor/owner and the address of the trust to all payers. However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.



Do not check this box if you are applying for a trust EIN when a new pension plan is established. Check "Created a pension plan."

Created a pension plan. Check this box if you have created a pension plan and need an EIN for reporting purposes. Also, enter the type of plan in the space provided.

TIP Check this box if you are applying for a trust EIN when a new pension plan is established. In addition, check the "Other" box on line 9a and write "Created a Pension Plan" in the space provided.

Other. Check this box if you are requesting an EIN for any other reason; and enter the reason. For example, a newly-formed state government entity should enter "Newly-Formed State Government Entity" in the space provided.

Line 11. Date business started or acquired. If you are starting a new business, enter the starting date of the business. If the business you acquired is already operating, enter the date you acquired the business. For foreign applicants, this is the date you began or acquired a business in the United States. If you are changing the form of ownership of your business, enter the date the new ownership entity began. Trusts should enter the date the trust was funded. Estates should enter the date of death of the decedent whose name appears on line 1 or the date when the estate was legally funded.

Line 12. Closing month of accounting year. Enter the last month of your accounting year or tax year. An accounting or tax year is usually 12 consecutive months, either a calendar year or a fiscal year (including a period of 52 or 53 weeks). A calendar year is 12 consecutive months ending on December 31. A fiscal year is either 12 consecutive months ending on the last day of any month other than December or a 52-53 week year. For more information on accounting periods, see Pub. 538.

Individuals. Your tax year generally will be a calendar year.

Partnerships. Partnerships must adopt one of the following tax years.

- The tax year of the majority of its partners.
- The tax year common to all of its principal partners.
- The tax year that results in the least aggregate deferral of income.
- In certain cases, some other tax year.

See the Instructions for Form 1065 for more information.

REMICs. REMICs must have a calendar year as their tax year.

Personal service corporations. A personal service corporation generally must adopt a calendar year unless it meets one of the following requirements.

- It can establish a business purpose for having a different tax year.
- It elects under section 444 to have a tax year other than a calendar year.

Trusts. Generally, a trust must adopt a calendar year except for the following trusts.

- Tax-exempt trusts.
- Charitable trusts.
- Grantor-owned trusts.

Line 13. Highest number of employees expected in the next 12 months. Complete each box by entering the number (including zero ("0-")) of "Agricultural," "Household," or "Other" employees expected by the applicant in the next 12 months.

If no employees are expected, skip line 14.

Line 14. Do you want to file Form 944? If you expect your employment tax liability to be \$1,000 or less in a full calendar year, you are eligible to file Form 944 annually (once each year) instead of filing Form 941 quarterly (every three months). Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages subject to social security and Medicare taxes and federal income tax withholding. If you qualify and want to file Form 944 instead of Forms 941, check the box on line 14. If you do not check the box, then you must file Form 941 for every quarter.

TIP For employers in the U.S. possessions, generally, if you pay \$6,536 or less in wages subject to social security and Medicare taxes, you are likely to pay \$1,000 or less in employment taxes.

For more information on employment taxes, see Pub. 15 (Circular E); or Pub. 51 (Circular A) if you have agricultural employees (farmworkers).

Line 15. First date wages or annuities were paid. If the business has employees, enter the date on which the business began to pay wages or annuities. For foreign applicants, this is the date you began to pay wages in the United States. If the business does not plan to have employees, enter "N/A."

Withholding agent. Enter the date you began or will begin to pay income (including annuities) to a nonresident alien. This also applies to individuals who are required to file Form 1042 to report alimony paid to a nonresident alien. For foreign applicants, this is the date you began or will begin to pay income (including annuities) to a nonresident alien in the United States.

Line 16. Check the one box on line 16 that best describes the principal activity of the applicant's business. Check the "Other" box (and specify the applicant's principal activity) if none of the listed boxes applies. You must check a box.

Construction. Check this box if the applicant is engaged in erecting buildings or engineering projects (for example, streets, highways, bridges, tunnels). The term "Construction" also includes special trade contractors (for example, plumbing, HVAC, electrical, carpentry, concrete, excavation, etc. contractors).

Real estate. Check this box if the applicant is engaged in renting or leasing real estate to others; managing, selling, buying, or renting real estate for others; or providing related real estate services (for example, appraisal services). Also check this box for mortgage real estate investment trusts (REITs). Mortgage REITs are engaged in issuing shares of funds consisting primarily of portfolios of real estate mortgage assets with gross income of the trust solely derived from interest earned.

Rental and leasing. Check this box if the applicant is engaged in providing tangible goods such as autos, computers, consumer goods, or industrial machinery and equipment to customers in return for a periodic rental or lease payment. Also check this box for equity real estate investment trusts (REITs). Equity REITs are engaged in issuing shares of funds consisting primarily of portfolios of real estate assets with gross income of the trust derived from renting real property.

Manufacturing. Check this box if the applicant is engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is also considered to be manufacturing.

Transportation & warehousing. Check this box if the applicant provides transportation of passengers or cargo; warehousing or storage of goods; scenic or sight-seeing transportation; or support activities related to transportation.

Finance & insurance. Check this box if the applicant is engaged in transactions involving the creation, liquidation, or change of ownership of financial assets and/or facilitating such financial transactions; underwriting annuities/insurance policies; facilitating such underwriting by selling insurance policies; or by providing other insurance or employee-benefit related services.

Health care & social assistance. Check this box if the applicant is engaged in providing physical, medical, or psychiatric care or providing social assistance activities such as youth centers, adoption agencies, individual/family services, temporary shelters, daycare, etc.

Accommodation & food services. Check this box if the applicant is engaged in providing customers with lodging, meal preparation, snacks, or beverages for immediate consumption.

Wholesale-agent/broker. Check this box if the applicant is engaged in arranging for the purchase or sale of goods owned by others or purchasing goods on a commission basis

Created a pension plan. Check this box if you have created a pension plan and need an EIN for reporting purposes. Also, enter the type of plan in the space provided.



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Wholesale-agent/broker. Check this box if the applicant is engaged in arranging for the purchase or sale of goods owned by others or purchasing goods on a commission basis



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