



Business Link North Carolina
a division of
North Carolina Department of Commerce

4344 Mail Service Center | Raleigh, North Carolina 27699-4344
(800) 228-8443 or (919) 807-4280 | www.blnc.gov

Business Link North Carolina or BLNC is your resource for business assistance in North Carolina. BLNC Business Counselors will answer your questions and provide the answers you need to start, maintain and grow your business. *Business Notes* was developed as a reference guide to simplify the steps.

We encourage you to call 1.800.228.8443 during business hours for a full, free consultation or visit our website at www.blnc.gov

Below is a partial list of the many services [BLNC](#) offers:

- One-on-one client telephone consultation with our Business Counselors
- Assistance identifying state licenses and permits relevant to your business
- Websites with forms and links to state agencies and other organizations of interest to the business community
- Contact information for state occupational licensing boards
- Phone numbers to city and county government licensing and zoning offices
- Referrals to federal government agencies
- Assistance identifying other business resources
- Business loan information

We've created a six-step guideline to help you get started. The requirements may vary according to your business activity.

Step 1: Create a business plan

For any business, the first step is to turn your basic idea into a written, viable plan of action. A well-thought out business plan is necessary for obtaining loans and is a model for your success. Refer to the [BLNC](#) website [Business Planning Section](#) for resources.

Step 2: Decide on your business structure and file your business name

Careful consideration must be given to the management, structural and tax implications of your decision. While not a replacement for legal or tax advice, please review the [BLNC](#) website [Selecting a Business Structure](#) and the [Forms](#) Sections.

- To file a business name for a sole proprietorship or general partnership, contact the County [Register of Deeds](#) Office where you intend to do business.
- To file a Corporation, LLC, LLP, or Limited Partnership, contact the [North Carolina Secretary of State Office](#), Corporations Division or call (919) 807-2225.

Step 3: Apply for business licenses

North Carolina has no single state license for all businesses. Some businesses may be subject to several state licenses while others may not be subject to any. Licensing and permitting requirements may be imposed by state, city and county governments, as well as federal authorities.

Call [BLNC](#) at (800) 228-8443 or (919) 807-4280 or visit www.BLNC.gov for more information.

Step 4: Obtain the necessary tax information

Taxation for small businesses may be simple or complex, depending on the size and business structure. The tax liability for each business will be different and you should consult your attorney and accountant regarding comprehensive tax planning.

Contact the North Carolina Department of Revenue and the IRS for more tax information.

- NC Dept. of Revenue (877) 252-3052
- IRS (800) 829-4933

Step 5: Identify sources of financing

Refer to the [Financial Resources Section](#) on our website for an overview of financial resources available for small business owners in North Carolina.

- Small Business and Technology Development Center

The Small Business and Technology Development Center (SBTDC) has been helping North Carolina businesses grow and create new jobs since 1984. SBTDC specialists provide management counseling and educational services to small and mid-sized businesses throughout North Carolina. Most SBTDC services are free of charge, and all SBTDC services are confidential. www.sbtcdc.org

- Small Business Administration

SBA programs and services support you, the small business person. Learn about SBA-backed loans, government contracting opportunities, disaster assistance and training programs to help your business succeed. www.sba.gov

North Carolina District Office

6302 Fairview Road, Suite 300
Charlotte, NC 28210-2227
Phone (704) 344-6563
Fax (704) 344-6769

- Self-Help Credit Union

Self-Help is a community development lender, credit union, and real estate developer that works with individuals, organizations and communities traditionally underserved by conventional markets. <http://www.self-help.org/>

Step 6: Employer Reporting Requirements and Responsibilities

Visit the [Employer Requirements Section](#) in this booklet and on our website for instructions on how to register as an employer and obtain unemployment insurance and worker's compensation insurance. This includes applying for federal and state tax withholding numbers and other federal requirements.

Additional Considerations

- Consult with an accountant for bookkeeping and tax purposes
- Obtain insurance
- Review contracts with legal counsel
- Review applicable regulations (OSHA, EPA, etc.)
- Register trademarks or patents
- Develop policy and employee handbook
- Join trade associations, chamber of commerce organizations

One of the first steps in establishing a business is to determine the most appropriate structure. The structure of a business affects taxation, legal and financial liability, as well as decision-making authority. The basic structures and forms of organization are described below.

However, these descriptions are for informational purposes only and are not intended to be, nor should you rely on them as, legal advice. Before selecting a business structure, it is advisable to consult your attorney and/or accountant as each structure carries with it unique legal and tax consequences.

Business Structures filed at the County Register of Deeds office

Before any sole proprietorship or partnership engages in business in North Carolina under an assumed name, the business name must be registered. An assumed name is any name other than the real (legal) name of the owner or owners the business. Assumed Name forms are filed with the County Register of Deeds in which you will operate your business.

A **sole proprietorship** is a business that is owned and operated by an individual. The owner is personally and legally responsible for his or her actions. All profit or loss from a sole proprietorship belongs to the owner. Certificate of Assumed Name forms for sole proprietorships must be signed by the individual owner.

A **general partnership** is formed by two or more persons who agree to contribute money, labor and/or skill to a business and to share its profits, losses and management. All partners typically are held legally responsible for their own actions and the actions of the other partners. For partnerships, the Certificate of Assumed Name form must be signed by each partner.

To file your Sole Proprietorship or General Partnership business name, download the [Certificate of Assumed Name](#) form from the [BLNC](#) website.

There is no statewide name registration for Sole Proprietorships or General Partnerships. You must file your name in each county that you conduct business.

A **Corporation** is a separate legal entity from the individuals who form it and its owners. Owners are generally protected from personal liability.

To establish a corporation, you must complete the form, [Articles of Incorporation](#).

A **Limited Liability Company**, or **LLC**, is legally distinct and separate from its owners. An LLC offers its owners both limited personal liability for actions of the business and special tax treatment that may prevent what has been called "double taxation" of the owners' income.

To form an LLC, you must complete the form, [Articles of Organization](#).

A **Limited Liability Partnership**, or **LLP** has only general partners, but nonetheless affords protection from personal liability. For partnerships, including LLPs, the Certificate must be signed by the individual owner.

To form an LLP, you must complete the form, [Application for Registration of a LLP](#).

A **Limited Partnership** may be formed by two or more individuals, partnerships or corporations. Limited partnerships have both general and limited partners. A limited partner is usually the investor. General partners are involved in operating and managing the business and are subject to unlimited liability for the acts and debts of the partnership.

To form an LP, you must complete the form, [Certificate of Domestic Limited Partnership](#).

Professional corporations and professional LLCs are filed with the Corporations Division of the Department of the Secretary of State. To determine whether a particular corporation is such a "professional corporation," it is necessary to examine the requirements of [NCGS 55B-2\(5\)](#).

Instructions and forms to file Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP) and Limited Liability Partnerships (LLP) are available by telephone, letter, in person or via the Secretary of State website at www.sosnc.com.

Department of the Secretary of State
Corporations Division
PO Box 29622
Raleigh, NC 27626-0622
(919) 807-2225
(888) 246-7636 (leave message)
www.sosnc.com

For your convenience, the [BLNC](#) Business Counselors can also assist you in obtaining this information.

Licensing and permitting requirements may be imposed by state, city and county governments, as well as federal authorities.

State

- **North Carolina does not have a single state generic license for all businesses.**

Some businesses may be subject to several state requirements while others may not be subject to any. There are over 700 regulatory state-issued licenses and permits and occupational licenses. The North Carolina Department of Revenue also issues privilege licenses for certain business activities. You can access the [Directory of North Carolina Business Licenses and Permits](#) from the [BLNC](#) website.

If you are planning to establish a business in North Carolina, you are encouraged to call [BLNC](#) at (800) 228-8443 and speak to a Business Counselor first. Speaking with a counselor is the best way to determine compliance with all state license and permitting requirements.

Local

Certain businesses require city and/or county privilege licenses. Failure to obtain proper local licenses may result in penalties to you and your business. When establishing your business in North Carolina, you must not overlook applicable zoning regulations and ordinances. [BLNC](#) maintains a list of telephone numbers for city and county license and zoning offices as well as county health departments.

Federal

Most new small businesses are unlikely to require a federal permit or license to operate. However, it is important to ensure that you comply with all applicable federal regulations before starting your business. It is a good idea to consult an attorney to make sure you have addressed all federal regulations that might apply to your business activity.

State Registration

A trademark is any word, name, symbol, graphic image or combination of words and graphic images that your business has formally adopted and uses to identify its products and distinguish them from the products of its competitors. A service mark identifies your business's services and distinguishes them from the services offered by competitors.

While registering trademarks and service marks is voluntary, the Department of the Secretary of State strongly recommends that you protect your marks by registering them. Call the Trademarks Division at (919) 807-2162 for information on the registration process or to request registration forms. Information and forms are also available on the Secretary of State web site www.sosnc.com.

Federal Registration

You can register trademarks and service marks at the federal level as well as at the state level. For information on federal trademark and service mark registration, contact the Trademarks Office at (800) 786-9199. Additional information and applicable forms are also available on the web site for the US Patent and Trademark Office www.uspto.gov.

While federal registration will protect your mark throughout the entire United States, it often involves a lengthy and time-consuming process. Many businesses choose to seek state registration in order to protect their marks while federal registration is pending. (State and federal mark registrations are unrelated; these agencies do not cross-check records against each other as part of the registration process.) Know that requirements for state and federal mark registration are not the same. Acquiring a federal mark registration does not mean that your mark will be accepted at the state level.

Taxation for small businesses may be simple or complex, depending on the size and the business structure. Some of the taxes with which a business must be concerned are briefly described below. Keep in mind that tax liability for each business will be different and that you should consult your attorney and accountant regarding comprehensive tax planning to fit your unique business.

Sales and Use Tax

Many businesses are subject to state sales tax regulations. Every person who is a retail or wholesale merchant in the business of selling, renting or leasing taxable tangible personal property in North Carolina is required to obtain a Sales and Use Tax Identification Number ([Form NC-BR](#)), unless specifically exempt by statute. Once registered, the business owner will receive information from the Department of Revenue on sales tax reporting and remittance requirements.

For clarification of the sales and use tax law as it applies to your business you may find more information at www.dornc.com or call the North Carolina Department of Revenue at (877) 252-3052.

Withholding Income Taxes

North Carolina requires every employer to apply for a North Carolina withholding tax identification number.

To obtain this number, you must complete a Business Registration Application for Income Tax Withholding (Form NC-BR). You can apply online at the North Carolina Department of Revenue website www.dornc.com, or contact the Department of Revenue at (877) 252-3052.

North Carolina Department of Revenue
PO Box 25000
Raleigh, NC 27634-0001
877-252-3052
www.dornc.com

Privilege License Tax

The state Privilege License Tax is applicable to certain businesses or professions in North Carolina and should be applied for before the commencement of business. Privilege Licenses are issued annually and limit the person, firm or corporation named in the license to conducting the profession or business specified on the license. The Privilege License is not a certification in any way that the holder is qualified to perform a specific business or profession. It is simply a tax for the privilege of doing business in the state. [BLNC](#) Business Counselors can inform you if a Privilege License is required for your business. The Privilege License Application ([Form B202A](#)) is available at the Department of Revenue website www.dornc.com. Other questions regarding state Privilege License taxes should be directed to:

North Carolina Department of Revenue
Privilege License Tax
P.O. Box 25000
Raleigh, NC 27634-0001
(877) 308-9103
www.dornc.com

Franchise and Income Tax

Corporations doing business in North Carolina and every inactive corporation chartered or domesticated here must file an annual franchise and income tax return. In certain professional situations, a franchise tax may be required. This tax is due annually as long as the corporation remains incorporated, domesticated, or continues to do business in North Carolina. Questions concerning franchise and income tax obligations should be directed to:

North Carolina Department of Revenue
Corporate Income and Franchise Tax Division
P. O. Box 25000
Raleigh, NC 27634-0001
(877) 252-3052
www.dornc.com

Ad Valorem Taxes

As a business owner, you are responsible for listing your business personal property with the county tax assessor's office in the county in which your business is located. You must also provide the assessor with any real property improvements. Your failure to list the property within the time allowed by law may result in severe penalties under the provisions of *Article 16, Chapter 105* of the North Carolina General Statutes.

North Carolina Requirements

Withholding Income Taxes

North Carolina requires every employer to apply for a state withholding tax identification number. State income tax must be withheld from employee wages and remitted to the NC Department of Revenue. Every employer must file for a withholding tax number.

To obtain this number, you must complete a Business Registration Application for Income Tax Withholding (Form NC-BR). You may apply online at the North Carolina Department of Revenue website www.dornc.com, or contact the Department of Revenue at (800) 252-3052.

North Carolina Department of Revenue
PO Box 25000
Raleigh, NC 27634-0001
877-252-3052
www.dornc.com

Unemployment Insurance Tax

An employer may be liable for Unemployment Insurance tax. Unemployment Insurance tax is a tax on employer payrolls paid by employers and used to provide funds from which unemployment benefits are paid to qualified unemployed workers.

An employer is required to provide unemployment insurance coverage for its employees if the business:

- has one or more employees for 20 different calendar weeks during a calendar year, *or*
- has a payroll of at least \$1,500 in any calendar quarter

You may also be liable for unemployment insurance tax if you acquire all or part of a business already subject to the Unemployment Insurance Act.

To determine the extent of your obligation, or for further information, please email esc.tax.customerservice@ncesc.gov or call the North Carolina Employment Security Commission at the number below:

Employment Security Commission
700 Wade Avenue
Raleigh, North Carolina 27605
(919) 707-1150
www.ncesc.com

Workers' Compensation

Employers are required by statute to carry Workers' Compensation insurance if they employ:

- three or more employees regularly employed in the same business or establishment, or
- one or more employees employed in activities which involve the use or presence of radiation, or
- if providing agriculture or domestic services, 10 or more full-time non-seasonal agricultural workers regularly employed by the employer

For further information, contact the North Carolina Industrial Commission at <http://www.ic.nc.gov/>.

North Carolina Industrial Commission
430 N. Salisbury Street
Raleigh, NC 27603
(919) 807-2501 or (800) 688-8349
<http://www.ic.nc.gov/>

Mailing address:
4340 Mail Service Center
Raleigh, NC 27699-4340

Occupational Safety and Health Act of North Carolina

The North Carolina Department of Labor administers and implements the Occupational Safety and Health Act of North Carolina. North Carolina is a state plan state, which means it enforces federal OSHA standards, in addition to some state-specific ones, to protect workers from unsafe and unhealthful working conditions. For specific information regarding OSHA requirements, you should contact:

North Carolina Department of Labor
Occupational Safety and Health Division
1101 Mail Service Center
Raleigh, NC 27699-1101
(919) 807-2796 or (800) NC-LABOR
www.nclabor.com

New Hire Reporting

North Carolina employers are required to report certain information about employees who have been newly hired, rehired or have returned to work. The form on which to report this information may be obtained from the [BLNC](http://blnc.com) site or directly from the New Hire Reporting website at <http://newhire-reporting.com/NC-Newhire/default.aspx>.

Employers can send new hire data files in a variety of ways, including transferring files through this Web site, through internet connection using File Transfer Protocol (FTP), or mail reports to us on diskette. Click [here](#) to learn more about electronic reporting.

Non-Electronic Reports - Paper new hire reports may either be faxed or mailed to the Directory.

Mail reports to:

North Carolina State Directory of New Hires
P.O. Box 90369
East Point, GA 30364-0369
Phone: (888) 514-4568
www.ncnewhires.com

Fax reports to: Toll-free: (866) 257-7005

Federal Requirements

Employer Identification Number (EIN)

The IRS requires that every employer who pays wages to one or more employees file an application for an employer identification number.

To register with the IRS, you must complete an Application for Employer Identification Number (Form SS-4). The form is available online and you can submit it electronically at www.irs.gov, or to the address below:

Internal Revenue Service Center
Attn: EIN Operation
Cincinnati, OH 45999
Telephone – Employer ID Number: (800) 829-4933
Fax – Employer ID Number: (859) 669-5760
www.irs.gov

As a public service, the Internal Revenue Service will provide a tax information kit to you. The kit includes forms and publications that apply solely to federal taxes. To obtain this information, contact the IRS at (800) 829-3676 or their web site, www.irs.gov.

Social Security and Medicare

The Federal Insurance Contributions Act (FICA) tax includes two separate taxes. One is Social Security Tax and the other is Medicare tax. Different rates apply for each of these. Only the social security tax has a wage base limit. The wage base limit is the maximum wage that is subject to the tax for that year.

For more information, refer to contact the Social Security Administration at www.socialsecurity.gov or by calling (800) 772-1213.

Employment Eligibility Verification

The Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of anyone hired after November 6, 1986. Employers must complete and retain an Employment Eligibility Form ([Form I-9](#)).

All U.S. employers must complete and retain a Form I-9 for each individual they hire for employment in the United States. This includes citizens and noncitizens. On the form, the employer must examine the employment eligibility and identity document(s) an employee presents to determine whether the document(s) reasonably appear to be genuine and relate to the individual and record the document information on the [Form I-9](#).

Raleigh-Durham Field Office
301 Roycroft Drive
Durham, NC 27703
(800) 357-2099
<http://infopass.uscis.gov/>

Immigration and Naturalization Service
6130 Tyvola Center Drive
Charlotte, NC 28217
(800) 357-2099
<http://infopass.uscis.gov/>

“**Handbook for Employers**” instructions for completing Form I-9 (Employment Eligibility Verification Form) can be downloaded from this site: <http://www.uscis.gov/portal/site/uscis>

NC Department of Commercewww.nccommerce.com

- Business Link North Carolina ([BLNC](#)) (800) 228-8443 or (919) 807-4280
- [Business Licenses & Permits Directory](#)
- Business & Industry Division (919) 733-4151
- Business Recruitment (919) 733-4151
- Site Selection (Statewide building & site database) <http://www.ncsitesearch.com/>
- Policy, Research and Strategic Planning (919) 733-4151
- Workforce Development Services (800) 562-6333 or (919) 329-5230
- Incentives (919) 733-4151
- International Trade Division (919) 733-4151
- Commerce Finance Center (919) 733-5297
- North Carolina Board of Science & Technology (919) 733-6500

NC Department of the Secretary of Statewww.sosnc.com

- Reception/Information (919) 807-2000
- Corporations Division (919) 807-2225
- Trademarks Division (919) 807-2162
- Authentications (919) 807-2140
- UCC Division (919) 807-2219

Official Web Site of North Carolina

Information and links to state agencies

www.ncgov.com**Federal Information Center**www.info.gov(800) Fed-Info
(800) 333-4636**Tax Information**

- **Internal Revenue Service (IRS)**

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Information:

www.irs.gov

(800) 829-1040

Forms:

(800) 829-3676

Tax-exempt Organizations Customer Service:

(877) 829-5500

NC Department of Revenue

Information (877) 252-3052

www.dornrc.com**NC Department of Labor**(800) NC Labor *or* (800) 625-2267www.nclabor.com**NC Department of Environment & Natural Resources**

Customer Service Center (877) 623-6748

www.envhelp.org**NC Counties**Check local listings or call [BLNC](http://www.blnc.org) at (800) 228-8443 or (919) 807-4280<http://www.sog.unc.edu/library/counties.html>**NC Cities & Towns**Check local listings, city or town hall, or call [BLNC](http://www.blnc.org) at (800) 228-8443 or (919) 807-4280<http://sog.unc.edu/library/cities.html>**Other Business Resource Groups**

- Small Business Center (SBC) at your local Community College
 - <http://www.sbcn.nc.gov>
- Small Business Administration (SBA)
 - www.sba.gov or www.sba.gov/services/counseling/index.html
- Service Corp of Retired Executives (SCORE)
 - www.score.org
- Small Business & Technology Development Center (SBTDC)
 - [NC only] (800) 258-0862 or (919) 715-7272 www.sbtcdc.org

Minority Business Resources

- Historically Underutilized Business, (919) 807-2330 or www.doa.state.nc.us/hub/
- Federal Government Contracting Development www.sba.gov/gcbd/
- Small Disadvantaged Business Certification <http://www.sba.gov/sdb/index.html>
- Minority Business Development Agency, (404) 730-3300 www.mbda.gov
- Women's Business Center of North Carolina (919) 956-8889 www.ncimed.com
- NC Institute of Minority Economic Development, (919) 956-8889 www.ncimed.com

Contact BLNC (www.blnc.gov) at (800) 228-8443 for phone numbers and contact information.

Acupuncture Licensing Board	Board of Physical Therapy Examiners
Appraisal Board	Board of Podiatry Examiners
Auctioneer Licensing Board	Board of Recreational Therapy Licensure
Board for Licensing of Geologists	Board of Refrigeration Examiners
Board for Licensing of Soil Scientists	Board of Registration for Foresters
Board of Architecture	Home Inspector Licensure Board
Board of Athletic Trainer Examiners	Interpreter and Transliterater Licensing Board
Board of Barber Examiners	Landscape Contractors' Registration Board
Board of Chiropractic Examiners	Licensing Board for General Contractors
Board of Dental Examiners	Locksmith Licensing Board
Board of Dietetics/Nutrition	Lottery Commission
Board of Electrolysis Examiners	Marriage and Family Therapy Licensure Board
Board of Environmental Health Specialists Examiners	Marriage and Family Therapy Licensure Board
Board of Examiners for Engineers and Surveyors	Medical Board
Board of Examiners for Speech & Language Pathologists & Audiologists	Midwifery Joint Committee
Board of Examiners in Optometry	Psychology Board
Board of Examiners of Electrical Contractors	Public Librarian Certification Commission
Board of Examiners of Plumbing, Heating & Fire Sprinkler Contractors	Real Estate Commission
Board of Funeral Service	Respiratory Care Board
Board of Irrigation Contractors Licensing Board	Social Work Certification and Licensure Board
Board of Landscape Architects	State Board of Cosmetic Art Examiners
Board of Law Examiners	State Board of CPA Examiners
Board of Licensed Professional Counselors	State Board of Examiners for Nursing Home Administrators
Board of Massage and Bodywork Therapy	State Board of Examiners of Fee-Based Practicing Pastoral Counselors
Board of Nursing	State Hearing Aid Dealers and Fitters Board
Board of Occupational Therapy	Substance Abuse Professional Practice Board
Board of Opticians	Veterinary Medical Board
Board of Pharmacy	Board of Physical Therapy Examiners