

Simplifying Business



**COMMISSIONER
OF THE
REVENUE**

The Commissioner of the Revenue's Office

The Commissioner of the Revenue is the chief tax assessor for the City of Charlottesville.

We are a point of first contact for many people starting out in business. As such, we have attempted to compile this resource to simplify the process for those starting a business for the first time.

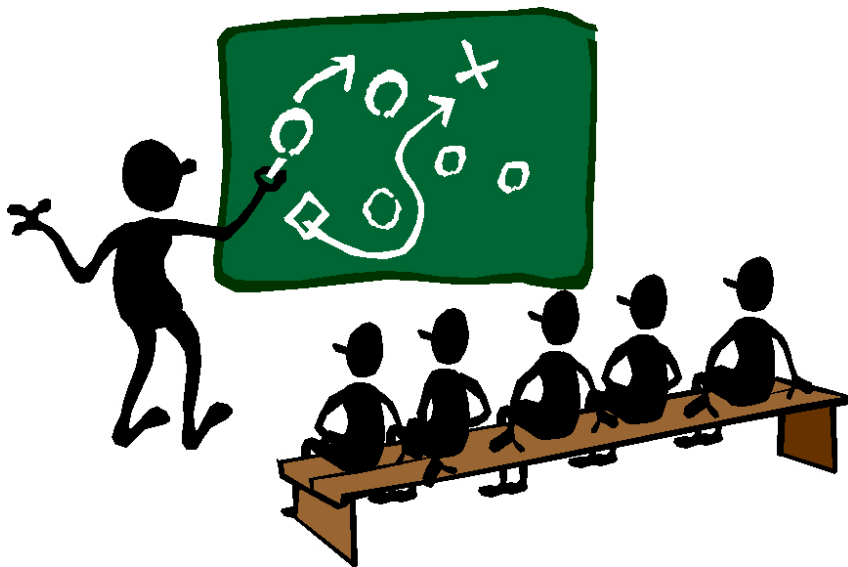
For more assistance, contact the Office of Economic Development at 434-970-3110.

Step 1

DEVELOP A BUSINESS PLAN

A business plan is critical for any entrepreneur. Your business plan is the “roadmap” for how you will start and manage your small business. As you write your business plan, you will analyze a variety of elements to include:

your product or service, marketing, financing and operations. A business plan is not only important for when you start, but also as your business begins to grow and develop.



BUSINESS PLAN ASSISTANCE FOR CHARLOTTESVILLE ENTREPRENEURS

Local

- Central Virginia SCORE - www.centralvirginia.score.org: *Free mentoring, workshops & events, templates and tools to assist you in starting or growing your business.*
- Small Business Development Center - www.cvsbdc.org: *The Central Virginia SBDC provides training and free one-on-one confidential counseling for small businesses. Both established businesses and aspiring entrepreneurs can access an experienced small business consultant for help. A variety of seminars and training workshops are offered that range from QuickBooks and How to Start a Small Business to special international trade and retail programs.*

BUSINESS PLAN ASSISTANCE FOR CHARLOTTESVILLE ENTREPRENEURS

Local

- Community Investment Collaborative - www.cicville.org:
Sign up for the 17-week workshop, How to Build a Growing Profitable Business. Designed for new and existing entrepreneurs, this hands-on course enables entrepreneurs to assess and address the technical needs of their businesses.
- Office of Economic Development -
For any questions you may have, contact 434-970-3110 or email ecodev@charlottesville.org:

BUSINESS PLAN ASSISTANCE FOR CHARLOTTESVILLE ENTREPRENEURS

Online

- VA Startup.org - www.VAStartup.org
Offers an online interactive tool in the form of a downloadable CD to help you write your business plan. Users are required to register.
- Business One Stop - www.bos.virginia.gov
A quick One-Stop source for information related to business in Virginia.
- The Small Business Administration - www.sba.gov/writing-business-plan
SBA website offers a section called “Create Your Business Plan”.
- www.shoretel.com/business-resources-entrepreneurs-disability *Business Resource for Entrepreneurs with a Disability*

Step 2

LEGAL STRUCTURE

An important part of deciding to start a business is to decide on your legal structure. Will you be a sole proprietorship, partnership, corporation, limited liability company or Virginia benefit corporation? Each structure has varying legal and tax implications, so we recommend that you consult with a lawyer and accountant before making this important decision.

- Business One Stop - www.bos.virginia.gov
Offers information on the benefits and limitations of each type of business structure.
- The Small Business Administration - www.sba.gov
Website offers a section called “Choose Your Business Structure”.

If you decide to form a legal structure, register your business with the Commonwealth of Virginia State Corporation Commission (<http://www.scc.virginia.gov>). You can do this online at: <https://sccefile.scc.virginia.gov>.

The State Corporation Commission's mission is to balance the interests of citizens, businesses, and customers in applying law and regulation to businesses and economic processes. Virginia's concern is to continually improve regulatory administrative processes.

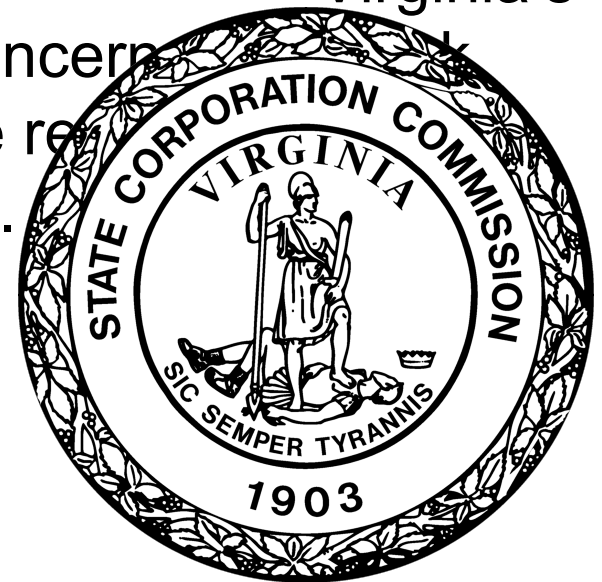


Image source: wikipedia.org

Step 3

FEDERAL REQUIREMENTS

- All legal entities need to obtain an EIN (Federal Employer Identification Number).
- Employers must obtain a EIN.
- Sole proprietors must obtain an EIN if they pay wages to one or more employees or if they file an excise tax return.



Step 3

FEDERAL REQUIREMENTS

- For more information or to apply for an EIN online, please visit:

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs>.



Image source: By United States Department of the Treasury [Public domain], via Wikimedia Commonswikipedia.org

Step 3

FEDERAL REQUIREMENTS

The Internal Revenue Service has many online resources to guide you through the process. In addition to workshops held around the state, you may access virtual workshops and arrange for a desktop calendar to keep you up-to-date and compliant.



Image source: By United States Department of the Treasury [Public domain], via Wikimedia Commons [wikipedia.org](https://commons.wikimedia.org/wiki/File:Seal_of_the_U.S._Department_of_the_Treasury)

Step 4

STATE REQUIREMENTS

All entities conducting business in the Commonwealth of Virginia must register their business with the Virginia Department of Taxation (TAX). You can register online.



Image source: tax.virginia.gov

Step 4

STATE REQUIREMENTS

If your business will be collecting sales tax, a Certificate of Registration is required. The Certificate of Registration must be displayed at your physical place of business.



Image source: tax.virginia.gov

Step 4

STATE REQUIREMENTS

If you plan to hire employees, you can easily register your Business with the Virginia Employment Commission (VEC) at the same time you register with TAX. VEC is responsible for collecting unemployment tax.



Image source: vec.virginia.gov

Step 4

STATE REQUIREMENTS

Some business types require professional licenses or permits from the state. The three main Virginia State Regulatory/Licensing Agencies are...



Image source: By Charles Keck (Image:Flag of Virginia.svg) [Public domain], via Wikimedia Commons

Step 4

STATE REQUIREMENTS



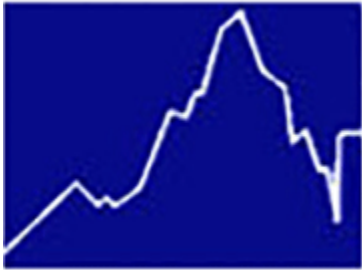
Department of Professional and Occupational Regulation

VA Department of Professional and Occupational
Regulation

<http://www.dpor.virginia.gov>

Step 4

STATE REQUIREMENTS



VA Department of Health Professions

<https://www.dhp.virginia.gov/>

Step 4

STATE REQUIREMENTS



*VIRGINIA DEPARTMENT
OF AGRICULTURE AND
CONSUMER SERVICES*

VA Department of Agriculture and
Consumer Services

<http://vdacs.virginia.gov>

Step 5

CITY REQUIREMENTS

Business License

- Any person or legal entity who operates a business or holds themselves out for business must first obtain a business license before commencing operation in the City of Charlottesville, including home businesses.



Step 5

CITY REQUIREMENTS

Business License

- A Charlottesville Business License is required if you hold yourself out for any business activity and have a definite location of business. In the City of Charlottesville,

zoning laws may prohibit your business from operating at certain locations, such as a residence. Therefore the address of your business must be approved by Zoning. If you have no definite place of business, then the location falls back to the home.



Step 5

CITY REQUIREMENTS

Business License

- With a few exceptions, the cost of the business license is based upon your estimate of total gross receipts from the day the business opens to December 31 of the same year. If the estimate is \$50,000 or less, a flat fee of \$35 is required. If the estimate is greater than \$50,000, a tax rate will be applied to your estimate. There are different rates for different types of business as follows:



Step 5

CITY REQUIREMENTS

Business License Tax Rates (when reported receipts exceed \$50,000)*

- Contractors - \$.16 per \$100.00 gross receipts
- Retail - \$.20 per \$100.00 gross receipts
- Financial, real estate and professional services - \$.58 per \$100.00 gross receipts
- Repair, personal, business and other services – between \$.25 and \$.36 (depending on the occupation) per \$100.00 gross receipts



* Tax rate applies to the entire amount.

Step 5

CITY REQUIREMENTS

Business License Tax Rates (when reported receipts exceed \$50,000)

- Wholesale business - \$0.25 per \$100.00 gross receipts on the first fifty thousand dollars (\$50,000.00), and \$0.16 per \$100.00 in excess of \$50,000.00 gross receipts. When gross receipts are \$50,000.00 or less, tax is \$35.00.



Step 5

CITY REQUIREMENTS

Business License

What will you need?

- Identification (picture ID)
- Lease or letter of permission from property owner (for home occupation)
- Zoning approval (434-970-3182)
- State Corporation Commission Certificate or Corporate Charter (if available)
- Register Trade Name or Partnership (Contact the Circuit Court, 434-970-3766... \$12.50 for certified copy)*



Step 5

CITY REQUIREMENTS



***Register With the Circuit Court**

Any person, partnership, limited liability partnership, limited liability company, or corporation using a name which does not identify the owner of the business must

register such fictitious or assumed name with the Charlottesville Circuit Court.

Registering this name does not prevent your business name from being used by any other business. It is done to assist the public by providing information as to the person with whom the public will be dealing.

Step 5

CITY REQUIREMENTS



***Register With the Circuit Court**

There is a \$10.00 fee to register this name (an additional \$2.50 entitles you to a certified copy). This fee is paid to the Charlottesville Circuit Court.

Step 5

CITY REQUIREMENTS

Business License

What will you need?

- Permits (Contact Neighborhood Development Services, 434-970-3182 – fees vary)
- Register for Fiduciary Taxes (If you will be collecting and remitting meals tax, transient lodging, or short-term rental tax, register with the Commissioner of the Revenue)
- Pay for Business License



EXAMPLES...

For a contractor opening a business in the City of Charlottesville

- Develop a business plan (who, what, when, where and how much). \$0
- Decide on a business structure (sole proprietorship, limited liability company, cooperative, corporation, partnership, or S-corporation). Fees vary from \$25.00 to \$100.00. (State Corporation Commission)
- If required, apply for a Federal Employer Identification Number (EIN). \$0 (IRS)
- Register your business name with the Circuit Court. \$12.50 (for certified copy)

For a contractor opening a business in the City of Charlottesville

- If required, apply for and obtain the proper Occupational License from the Department of Professional and Occupational Regulation. Fees vary from \$235.00 to \$385.00.
- If not an A, B, or C class contractor, complete the required Contractor Affidavit affirming that you are not subject to State licensure. (Commissioner of the Revenue)
- Get zoning approval. Fees vary. (Neighborhood Development Services)

For a contractor opening a business in the City of Charlottesville

- Pay for the business license.
 - For a contractor reporting \$50,000 or less in gross receipts... \$35.00
 - For a contractor reporting greater than \$50,000 in gross receipts... \$.16 per \$100.00 on total gross receipts.

To open a retail store or restaurant in the City of Charlottesville

- Develop a business plan (who, what, when, where and how much). \$0
- Decide on a business structure (sole proprietorship, limited liability company, cooperative, corporation, partnership, or S-corporation). Fees vary from \$25.00 to \$100.00. (State Corporation Commission)
- Apply for a Federal Employer Identification Number (EIN). \$0 (IRS)
- Register your business name with the Circuit Court. \$12.50 (for certified copy)

To open a retail store or restaurant in the City of Charlottesville

- Get zoning approval. Fees vary. (Neighborhood Development Services)
- Restaurant Health Department Certification. \$285.00
- Register for Meals Tax (restaurant only). (Commissioner of the Revenue)
- Pay for the business license (Commissioner of the Revenue).
 - For a retail store or restaurant reporting \$50,000 or less in gross receipts... \$35.00
 - For a retail store or restaurant reporting greater than \$50,000 in gross receipts... \$.20 per \$100.00 on total gross receipts.

To open a service related business in the City of Charlottesville

- Develop a business plan (who, what, when, where and how much). \$0
- Decide on a business structure (sole proprietorship, limited liability company, cooperative, corporation, partnership, or S-corporation). Fees vary from \$25.00 to \$100.00. (State Corporation Commission)
- Apply for a Federal Employer Identification Number (EIN). \$0 (IRS)
- Register your business name with the Circuit Court. \$12.50 (for certified copy)

To open a service related business in the City of Charlottesville

- Contact the Department of Professional and Occupational Regulation to obtain any required state licenses. Fees vary from \$235.00 to \$385.00
- Depending on the type of service, Health Department Certification. \$40.00
- Get zoning approval. Fees vary. (Neighborhood Development Services)

To open a service related business in the City of Charlottesville

- Pay for the business license (Commissioner of the Revenue).
 - For a repair, personal or business service reporting \$50,000 or less in gross receipts... \$35.00
 - For a repair, personal or business service reporting greater than \$50,000 in gross receipts... between \$.25 and \$.36 (depending on the occupation) per \$100.00 on the total gross receipts.

To open a financial, real estate, or professional service business in the City of Charlottesville

- Develop a business plan (who, what, when, where and how much). \$0
- Decide on a business structure (sole proprietorship, limited liability company, cooperative, corporation, partnership, or S-corporation). Fees vary from \$25.00 to \$100.00. (State Corporation Commission)
- Apply for a Federal Employer Identification Number (EIN). \$0 (IRS)
- Register your business name with the Circuit Court. \$12.50 (for a certified copy)

To open a financial, real estate, or professional service business in the City of Charlottesville

- Contact the Department of Professional and Occupational Regulation to obtain any required state license (esp. Architects and Engineers). Fees vary from \$235.00 to \$385.00
- Get zoning approval. Fees vary. (Neighborhood Development Services)

To open a financial, real estate, or professional service business in the City of Charlottesville

- Pay for the business license (Commissioner of the Revenue).
 - For a financial, real estate, or professional service reporting \$50,000 or less in gross receipts... \$35.00
 - For a financial, real estate, or professional service reporting greater than \$50,000 in gross receipts... \$.58 per \$100.00 on total gross receipts.

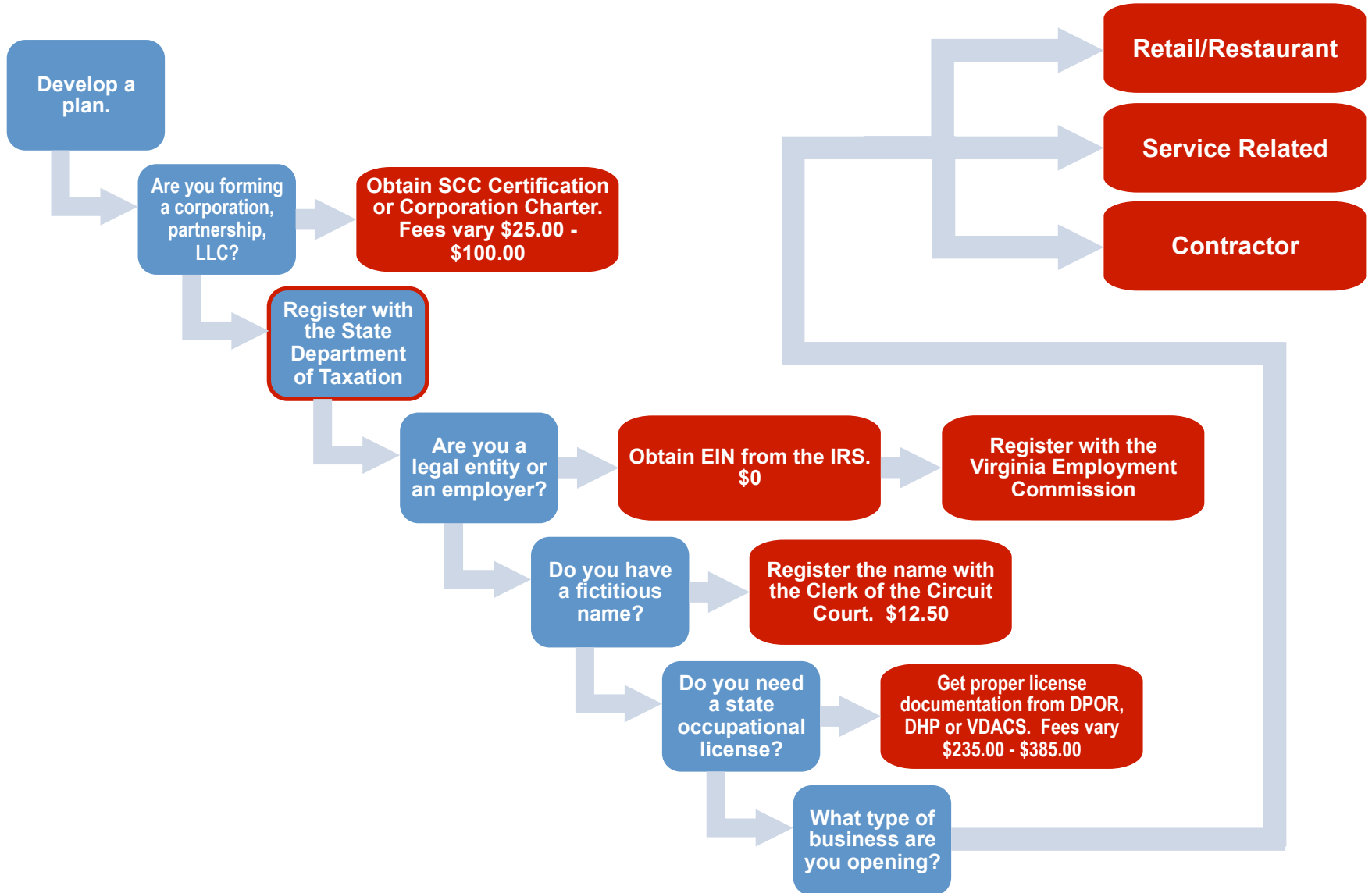
To open a wholesale in the City of Charlottesville

- Develop a business plan (who, what, when, where and how much). \$0
- Decide on a business structure (sole proprietorship, limited liability company, cooperative, corporation, partnership, or S-corporation). Fees vary from \$25.00 to \$100.00. (State Corporation Commission)
- Apply for a Federal Employer Identification Number (EIN). \$0 (IRS)
- Register your business name with the Circuit Court. \$12.50 (for certified copy)

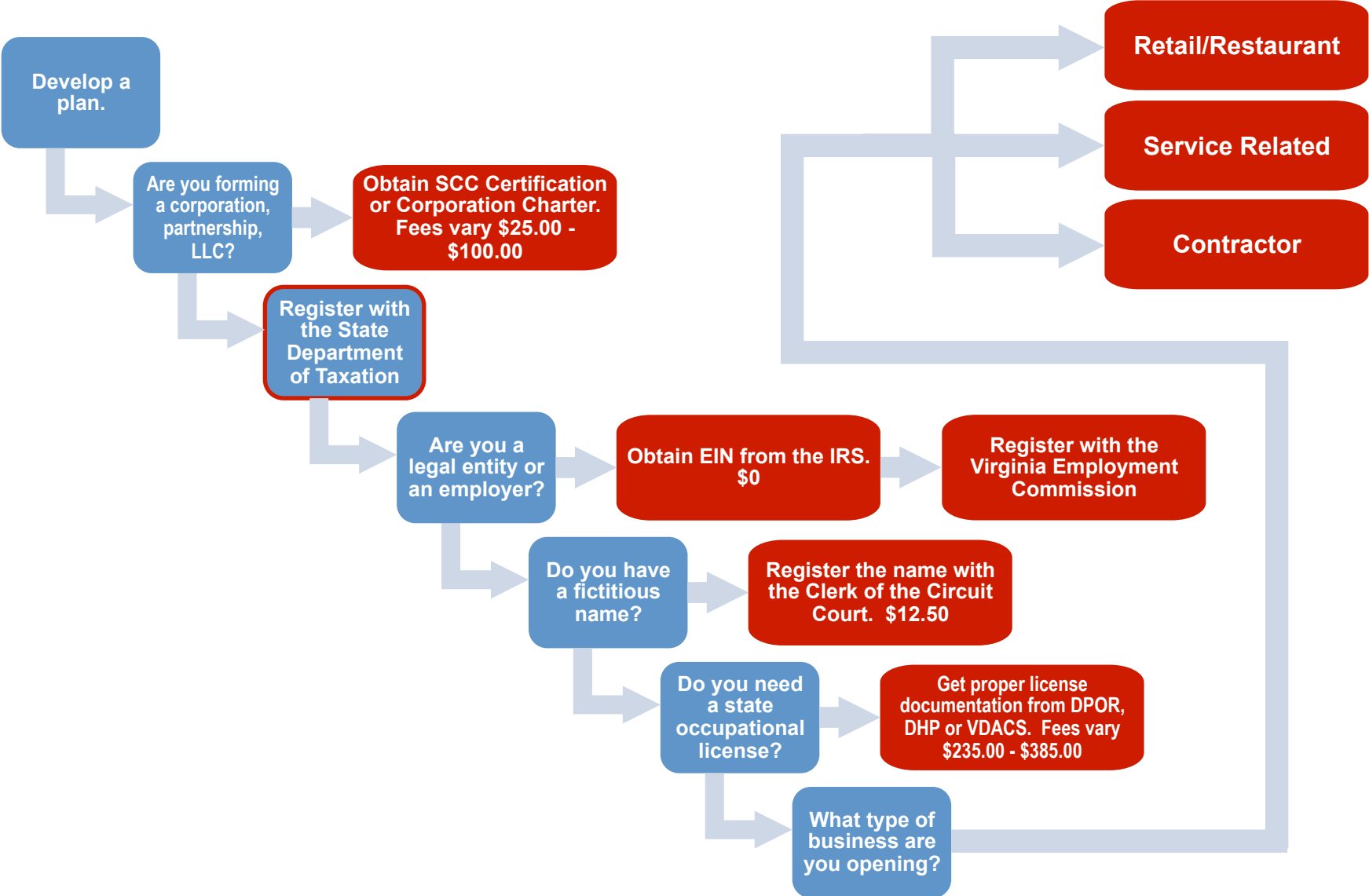
To open a wholesale in the City of Charlottesville

- Get zoning approval. Fees vary. (Neighborhood Development Services)
- Pay for the business license (Commissioner of the Revenue)
 - For a wholesale reporting \$50,000 or less in gross receipts... \$35.00
 - For a wholesale reporting greater than \$50,000.00 in gross receipts... \$0.25 per \$100.00 gross receipts on the first \$50,000.00, and \$0.16 per \$100.00 in excess of \$50,000.00 gross receipts.

Steps to Starting a Business in Charlottesville



Steps to Starting a Business in Charlottesville



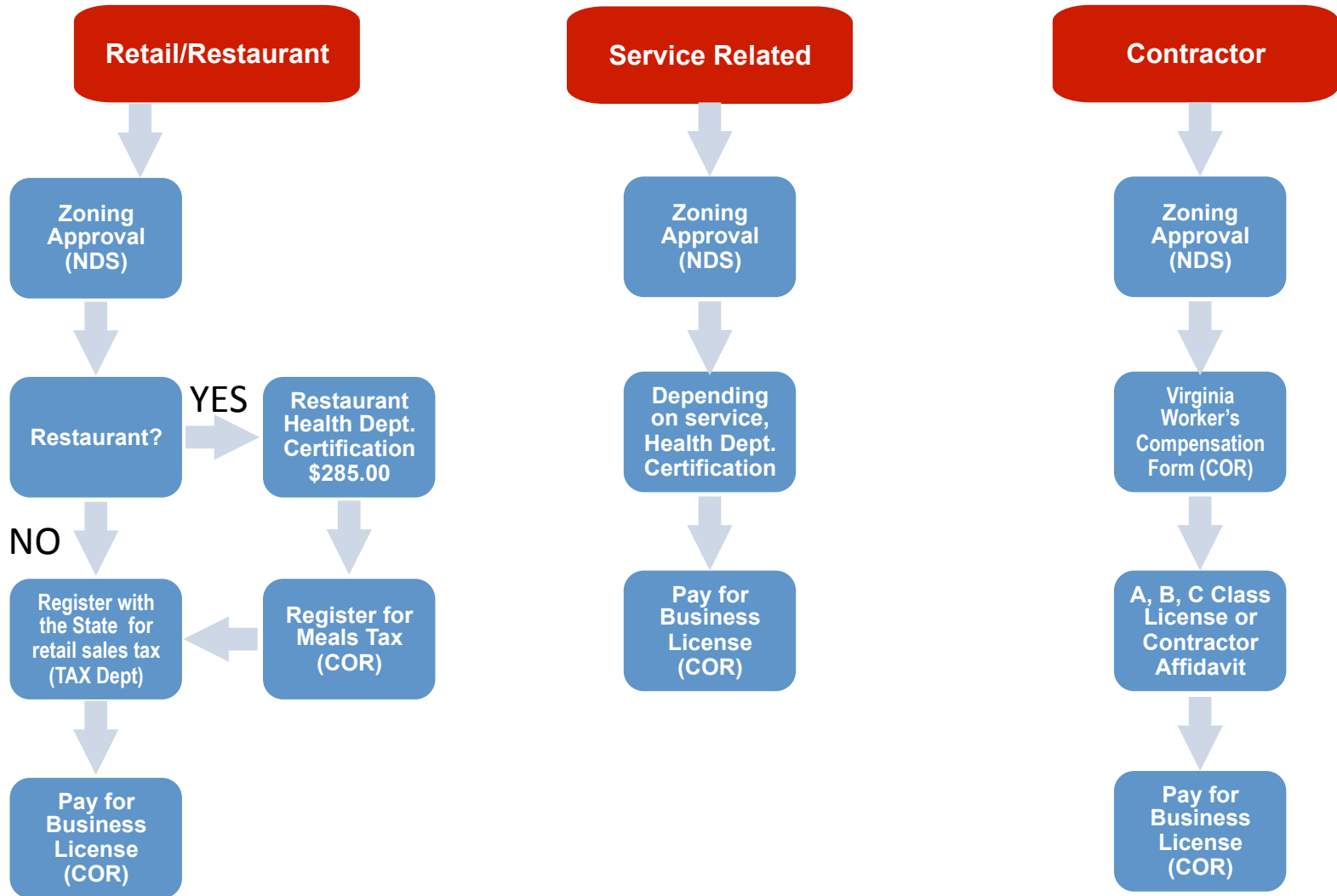
Steps to Starting a Business in Charlottesville

Retail/Restaurant

Service Related

Contractor

Steps to Starting a Business in Charlottesville



For a paper copy of this guide, along with contact information for helpful business resources, contact...

Commissioner of the Revenue

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Visit us on the web: **www.charlottesville.org/COR**