



Manasota

# SCORE Manasota's Guide to Doing Business in Florida

A Supplement to SCORE Manasota's  
Workshops and Free, Confidential Business Mentoring





Manatee & Sarasota  
Counties, Florida

A nationwide nonprofit organization and independent resource partner of the U.S. Small Business Association, SCORE provides **free** confidential business mentoring. With more than 10,000 volunteer business expert mentors across the country, SCORE provides resources and expertise to maximize the success of existing and emerging small businesses. Our mentoring services are free, but our results are priceless.

## The SCORE Manasota Chapter

SCORE Manasota is a local chapter of SCORE. Over 90 volunteer business experts provide free, confidential business mentoring and business education services for established businesses and startups.

Check <https://manasota.score.org> to access our mentoring and educational resources

The screenshot shows the SCORE Manasota website homepage. At the top, there is a navigation bar with links for 'Donate', 'Volunteer', 'Contact Us', 'Our Sponsors', 'About Us', and 'Volunteer Log In'. A search bar is located on the right. Below the navigation bar, the main content area features a large image of a bridge over water. To the right of the image, there is a green box with the text: 'Live your dream. SCORE Manasota can help. You do not have to go it alone...'. Below this text, there is a blue button that says 'Get Started - Find a Mentor!'. At the bottom of the page, there are three columns of content: 'Free Mentoring', 'Local Workshops and Meet Up groups', and 'Free Resources'. Each column has a corresponding button: 'Find A Mentor', 'Take A Workshop', and 'Browse Resources'. Callout boxes on the left side of the page point to the 'Become a Volunteer', 'Request a Mentor', and 'Find a Workshop' buttons. Callout boxes on the right side point to the 'Podcasts and Business SCORE Card columns' and 'Online workshops and resources'.

**Note:** These materials are designed to assist an entrepreneur in understanding their general business requirements but are not a substitute for analysis by legal and tax professionals. Accordingly, these materials must be read and used with the understanding that neither SCORE nor its volunteers are engaged in rendering legal, accounting, financial, or other professional advice. The information provided is believed to be correct as of the date this was written but may be outdated since this book was printed and, therefore, may no longer be valid. SCORE shall not be liable for any failure to correct or update any of the information provided. SCORE recommends that you consult with your attorney and/or accountant.

## FLORIDA ORGANIZATIONAL DOCUMENTS

The organizational documents you are required to file with the Florida Division of Corporations depends on your legal entity status. All of the requisite forms, mailing addresses and filing fees are located at: <http://dos.myflorida.com/sunbiz/>.

- **Sole Proprietorship:** No organizational filing is required.
- **Partnership:** Nothing is required to be filed in order to form a partnership, however, a registration statement should be filed with the Florida Division of Corporations. It is highly recommended that you also create (with the assistance of a licensed attorney) a partnership agreement. This document is not required to be filed.
- **Limited Liability Company:** You must file your Articles of Organization with the Florida Division of Corporations. This can be done online or through your attorney. If you have more than one member, it is highly recommended that you also create (with the assistance of a licensed attorney) a member control (or operating) agreement. This document is not required to be filed.
- **S Corporation:** An "S Corporation" is a regular business corporation which has elected to be taxed under Subchapter S of the Internal Revenue Code. You must file your Articles of Incorporation with the Florida Division of Corporations. In addition, you may file a tax election (Form 2553) <http://www.irs.gov/pub/irs-pdf/f2553.pdf> with the Internal Revenue Service to be treated as an S Corporation. This form must be filed no more than 2 months and 15 days after the beginning of the tax year in which you wish to have the election effective. You may make such election in any year. Various restrictions apply. SCORE recommends that you discuss this status with your tax advisor.
- **C Corporation:** You must file your Articles of Incorporation with the Florida Division of Corporations. This can be done online or through your attorney. Before filing, the proposed corporate name should be searched at the division web site to determine if the name is in use or is likely to be confused with another existing corporation. The Articles will be reviewed and will not be accepted for filing unless they comply with the applicable law.
- **Not-For-Profit Corporation:** Articles of Incorporation must be filed with The Secretary of State and must be in accordance with the Florida Not-For-Profit Corporation Act. If tax exempt status is to be sought, filings are also required under various provisions of the Internal Revenue Code.
- **Fictitious Name:** If you plan to market your business to the general public using a name other than your legal name (which is listed in your Articles of Incorporation or Organization), or, if a Sole Proprietorship is in a name other than your given name, or, if a Partnership and you intend the partnership to operate other than in the names of the partners, then you are required to file a Fictitious Name filing with the Florida Division of Corporations. For example, if your legal name is John's Landscaping Services, Inc. and you want to do business under J. Landscaping, then you would need to do a fictitious name filing for J. Landscaping. These filings are valid until December 31 of the fifth year of your filing. Fictitious Names should be checked to determine if they conflict with any registered trademark or may be confused with others using the same or similar names. The State will accept any d/b/a filing regardless of a conflicting name.

## FLORIDA STATE TAX REQUIREMENTS

The following summarizes the basic tax requirements when operating a business in the State of Florida. This information was derived from the Florida Department of Revenue's website [dor.myflorida.com](http://dor.myflorida.com). *Since these provisions may change frequently*, please consult the website for more information.

**Florida Corporate Income Tax:** Florida has an income tax on businesses which is calculated based on federal taxable income, with some adjustments. The following summarizes some of Florida's income tax requirements:

- **Tax Id Number:** You must obtain a Federal Employer Tax Identification Number (EIN) promptly. You can apply for an EIN through the IRS website. This is the most popular method used for applying for an EIN. In order to use the online service, the principal office, general partner, grantor or owner of the business must have a valid Social Security Number or individual Taxpayer Identification Number.
- **Annual Report Due Date:** April 1, for calendar year companies. For non-calendar year companies, the first day of the fourth month following the close of the tax year or the 15th day following the due date, without extension, for the filing of the related federal return, whichever is later.
- **Rate:** Based on a formula beginning with Federal Taxable Income. The Florida rate is generally 5.5% of the calculated result. See <http://dor.myflorida.com/dor/taxes/corporate.html> for more information.
- **Who Is Subject to the Tax?** Corporations, partnerships, limited liability companies and other "artificial entities" that conduct business, or earn or receive income in Florida, including certain out-of-state corporations, must file a Florida corporate income tax return unless specifically exempt. This return must be filed, even if no tax is due. Sole proprietorships, individuals, estates of decedents, and testamentary trusts are specifically exempted from filing a Florida Corporate Income Tax Return but may be required to report income for tax purposes on other forms. See your Tax advisor for details.

**Forms:** The form you use to file this tax depends on your legal entity:

- **Sole Proprietorships** are not subject to Florida income tax.
- **S Corporations** file Form F-1120 ([http://floridarevenue.com/Forms\\_library/current/f1120.pdf](http://floridarevenue.com/Forms_library/current/f1120.pdf)) for the first year it does business in the state. No state filing is required for future years as long as no federal income tax is owed.
- **C Corporations** must file a Form F-1120 ([http://floridarevenue.com/Forms\\_library/current/f1120.pdf](http://floridarevenue.com/Forms_library/current/f1120.pdf)). A corporation that has zero tax due or owes less than \$2,500 in tax may file a short form (Form F-1120A) if certain specified criteria are met.
- **Partnerships** file Form F-1065 ([http://floridarevenue.com/Forms\\_library/current/f1065.pdf](http://floridarevenue.com/Forms_library/current/f1065.pdf))
- **LLCs** which may have elected to file as standard business corporations or have lost partnership tax status and are taxed as a corporation file the corporate forms, and those taxed as partnerships file the partnership form. A single member limited liability company that is disregarded for Florida and federal income tax purposes is not required to file a separate Florida corporate income tax return. However, the income of the company is not exempt from tax. Its income will be reported by its individual owner, either a parent corporation or individual.

**Estimated Taxes:** If a corporation owes more than \$2,500 in Florida corporate income tax annually, it must make estimated tax payments on a Declaration/Installment of Florida Estimated Income/Franchise and/or Emergency Excise Tax (Form F-1120ES) <http://dor.myflorida.com/dor/forms/2007/f1120es.pdf>.

**Electronic Funds Transfers or Filings:** You are required to remit taxes by electronic funds transfer (EFT) if you paid \$30,000 or more in tax during the State of Florida's prior fiscal year (July 1 - June 30).

**Florida Sales and Use Tax:** Florida has a sales and use tax on many products and services, and, it is the responsibility of the business owner to collect that tax from its customers and remit it to the Florida taxing authorities. You should *assume* that your products and services are subject to sales and use tax, as most are. If you are in a service industry, you should double-check with a tax professional and the Florida Department of Revenue to confirm that you do or do not have to collect tax. Obtain any such advice in writing.

- **Due Date:** Due on the first day of each month for taxes collected the prior month and are considered late if filed after the 20th. Electronic payments must be initiated no later than 5:00 p.m. ET, on the business day prior to the 20th.
- **Rate:** 6%. In addition, certain counties impose an additional sales tax on products and services sold in that county. The Florida Department of Revenue provides a comprehensive list of sales tax rates by county each year. Please consult The Department of Revenue Web site for current rates and rules.
- **Who Is Subject to the Tax?** All businesses that sell products and services in the State of Florida unless the particular product or service is exempt are subject to this tax. This includes certain out-of-state corporations. Even so-called tax-exempt organizations may be required to collect sales tax on the sale of goods or services.
- **Forms:**
  - To obtain a sales tax ID number, you must complete and file a Form DR-1. This form also applies to the following taxes: documentary stamp, use, unemployment, gross receipts, communications services and solid waste fees and pollutants taxes.
  - Form DR-15 is used to report your sales tax.
- **Electronic Funds Transfers or Filings:** Depending on the amount of sales tax collected, you may be required to pay sales taxes electronically.

**Florida Reemployment Tax (formerly known as the Unemployment Compensation Tax):** Unemployment compensation provides partial, temporary income to workers who lose their jobs through no fault of their own and are able and available for work. Reemployment Tax is paid by all employers conducting business in Florida and is used to fund this benefit to workers. See [http://floridarevenue.com/taxes/taxesfees/Pages/rt\\_rate.aspx](http://floridarevenue.com/taxes/taxesfees/Pages/rt_rate.aspx).

- **Due Date:** January 31, April 30, July 31 and October 31.
- **Rate:** Rate ranges from .0010 (one tenth of one percent) to .0540 (5.4 percent), except for employers participating in the Short Time Compensation Program. Prior to the applicable year, rate notices are mailed to all employers that have a tax rate. An appeal of the tax rate must be made within 20 days from the date of notification (date printed on the rate notice). The first \$7,000 in wages paid to each employee during a calendar year is taxable. Any amount over the \$7,000 is considered excess wages and is not subject to tax.
- **Who Is Subject to the Tax?** Generally, an employer with quarterly payroll of \$1,500 or more in a calendar year, that has one or more employees for a day (or portion of a day) during any 20 weeks in a calendar year or is liable for federal unemployment tax is subject to Florida Reemployment Tax.
- **Forms:** Form RT-6 <http://floridarevenue.com/taxes/taxesfees/Pages/reemployment.aspx> is required to be filed quarterly.

- **Electronic Funds Transfers or Filings:** Generally, if you have 10 or more employees in any quarter, you must file Form RT-6 and pay the tax electronically.
- **Other:** You are required by law to display the poster To Employees (Form RT-83) [http://floridarevenue.com/Forms\\_library/current/rt83.pdf](http://floridarevenue.com/Forms_library/current/rt83.pdf) in a place where all employees can see it.

**Florida Use Tax on Out-of-State Purchases or in-state purchases where sales tax was not collected or paid:** If you purchase items out of state for use in your business and the seller did not collect Florida sales tax, you must pay use tax on such items. This tax is essentially the equivalent of Florida sales tax on that item.

- **Due Date:** First day of the month following the quarter when the purchase was made and is late after the 20th.
- **Rate:** 6%
- **Who Is Subject to the Tax?** Any business or individual that purchases products or services outside of Florida where Florida sales tax was not collected. This includes:
  - Purchases made through the Internet.
  - Mail-order catalog purchases.
  - Purchases made in another country.
  - Furniture purchased from dealers located in another state.
  - Computer equipment ordered from out-of-state vendors advertising in magazines.
- **Forms:** The operative form is an Out-of-State Purchase Return (Form DR-15MO). If the tax owed is less than one dollar, you do not have to file.

**Florida Tangible Personal Property Tax Report:** All businesses are required to report all tangible personal property to the property appraiser's office each year if the value exceeds \$25,000 (Florida Statute 193.052).

- **Due Date:** April 1.
- **Rate:** Varies based on the county.
- **Forms:** The operative form is a Tangible Personal Property Tax Return (Form DR-405) <http://floridarevenue.com/property/Documents/dr405a.pdf>

**Florida Real Property Tax:** If you own real property in conducting your business, you will also be subject to city and county property taxes. Property taxes are "ad valorem" taxes because they are based on the value of your property. Each year you will receive a notice of proposed assessment for your property taxes for the following year. This tax notice will show your property's appraised value, the tax rate set by your local government and your proposed taxes. You have rights to appeal, which are all outlined in Florida's Property Tax Bill of Rights.

## BUSINESS LICENSING

**Sarasota County:** If you are doing business in Sarasota County, you need to obtain a business tax receipt license (this used to be called an Occupational License). The forms and additional information can be found at: <https://www.sarasotataxcollector.com/services/tax-services/business-tax> or by calling 941-861-8300. If your business is located within the city limits of Sarasota, Venice, North Port or Longboat Key you will first need to obtain a city issued business tax receipt before applying for the County license (see below).

City	Phone Number
Sarasota	941-365-2200 x4427
Venice	941-486-2626
North Port	941-429-7009
Longboat Key	941-316-1999

**Manatee County:** Manatee County does not require an occupational license or business tax receipt. If your business is located within the city limits of Bradenton or Longboat Key you will need to obtain a city issued business tax receipt (see below).

City	Phone Number
Bradenton	941-932-9425
Longboat Key	941-316-1999

**Professional Licenses:** Certain professions require a professional license from the State of Florida. The best way to check whether your particular profession requires one of these licenses is to go to: [www.myfloridalicense.com](http://www.myfloridalicense.com).



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