



## Starting a Business in Iowa

America's SBDC Iowa

Want to start a business in Iowa? America's SBDC Iowa will assist and walk you through all of the steps needed. Below are references and resources to help get you started.

### State and Local Permits, Licenses and Regulations

- State- Iowa does not have a general business permit or license requirement. To determine what permits/licenses are specific to your business or profession, go to: <https://pib.iowa.gov/>
- Local- If you are buying an existing building or building a new one, contact your City Building Inspector and Fire Marshall to make sure the building is up to code. Check with City Hall on zoning restrictions and requirements. Contact the local Chamber of Commerce and/or Economic Development organization for assistance with local regulations and assistance programs.

### Business Legal Structure

- The legal structure decision involves both legal and tax considerations.
- The Iowa Secretary of State Office provides information on choosing a legal structure go to [www.sos.state.ia.us](http://www.sos.state.ia.us) and select *Business Services* and click on *Starting a Business*.
- To search available business names for an LLC or Corporation, on the same website, select *Search Database* and click on *Business Entities*
- To form a **Limited Liability Company (LLC)**, file a Certificate of Organization with the Iowa Secretary of state.
- To form an **S-Corporation, C-Corporation, Partnership or Limited Liability Partnership**, you should seek advice from a tax accountant and contact an attorney for assistance in filing the required documents with the Iowa Secretary of State.
- If you are doing business as a **Sole Proprietorship or General Partnership**, file your Trade Name with the county Recorder. You do not need to file anything with the Iowa Secretary of State.

### Unemployment Insurance

- Once you start hiring employees, you need to set up an Unemployment Account with Iowa Workforce Development – [www.iowaworkforce.org/ui/stawrs/60-0126.pdf](http://www.iowaworkforce.org/ui/stawrs/60-0126.pdf)

### Insurance

- Workers Compensation Insurance. Contact your insurance agent
- Business & Liability Insurance is not required but you should carry it. Contact your insurance agent for details and a quote.

### State Business Tax Application

- The Iowa Department of Revenue provides information and resources for starting a business in Iowa at [www.iowa.gov/tax/index.html](http://www.iowa.gov/tax/index.html) - under *Businesses*, click on *Starting a New Business or Self Employment*.
- IASourcelink offers free webinars on taxes. For a listing of upcoming and archived webinars, go to [www.iowasourcelink.com/resources/business-webinars/iowa-tax-webinars](http://www.iowasourcelink.com/resources/business-webinars/iowa-tax-webinars).

### Iowa Sales and Use Tax

- For information on Iowa Sales and Use Taxes, go to [www.iowa.gov/tax/educate/78539.html](http://www.iowa.gov/tax/educate/78539.html). To determine if the services you provide are taxable, go to [www.iowa.gov/tax/educate/78524.html](http://www.iowa.gov/tax/educate/78524.html)

### Iowa Business Tax Registration

- Register your business with the Iowa Department of Revenue online at [www.idr.iowa.gov/CBA/start.asp](http://www.idr.iowa.gov/CBA/start.asp). Note, if you have employees, you will be the withholding agent.

### Iowa Sales Tax Exemption Certificate

- If you are purchasing items for resale, you must give your suppliers a Sales Tax Exemption Certificate. These are available at [www.iowa.gov/tax/forms/31014.pdf](http://www.iowa.gov/tax/forms/31014.pdf).

### State Employment Taxes

- Complete an Iowa W-4 and Centralized Employee Registry (top portion of the Iowa W-4) for each employee. The forms can be found at [www.iowa.gov/tax/forms/withhold.html](http://www.iowa.gov/tax/forms/withhold.html) and click on *Iowa Withholding Forms*.

- ❑ For more information on withholding Iowa employment taxes, go to [www.iowa.gov/tax/educate/TrainOnline.html](http://www.iowa.gov/tax/educate/TrainOnline.html) and click on *Withholding Information for Employers* under the Business heading toward the bottom of the page.
- ❑ For the Iowa Withholding Tax Information Booklet go to [www.iowa.gov/taxes/educate/78552.html](http://www.iowa.gov/taxes/educate/78552.html)

#### **Federal Taxes**

- ❑ Excellent virtual workshops on Federal taxes are available at [www.irsvideos.gov/SmallBusinessTaxpayer/virtualworkshop](http://www.irsvideos.gov/SmallBusinessTaxpayer/virtualworkshop)
- ❑ If you have employees, your business must have a Federal Employee Identification Number (EIN). If you do not have employees, you may use your Social Security Number as your Federal ID Number.
- ❑ Apply for your EIN online at <https://sa1.www4.irs.gov/modiein/individual/index.jsp>.
- ❑ Complete a Federal W-4 for each employee. The forms can be found at [www.irs.gov/pub/irs-pdf/fw4.pdf](http://www.irs.gov/pub/irs-pdf/fw4.pdf)
- ❑ For more information on Federal Employment Taxes, go to [www.irs.gov/businesses/small/article/0,,id=172179,00.html](http://www.irs.gov/businesses/small/article/0,,id=172179,00.html)

#### **Labor Laws**

- ❑ Detailed information on a wide range of Iowa labor laws and regulations can be found at [www.iowaworkforce.org/labor/](http://www.iowaworkforce.org/labor/)
- ❑ Workplace Postings – Employers are required by both federal and state law to display certain posters in the workplace. These postings are available at [www.iowaworks.org/reqposters.htm](http://www.iowaworks.org/reqposters.htm)
- ❑ To help determine if an individual is an employee or Independent contractor, go to <https://www.sba.gov/starting-business/hire-retain-employees/hire-contractor-or-employee>
- ❑ You are required to keep on file an I-9 for all employees and owners. The form can be found at [www.uscls.gov/fildes/form/i-9.pdf](http://www.uscls.gov/fildes/form/i-9.pdf)
- ❑ OSHA regulations are under the Iowa Occupational Safety and Health Enforcement department. Information can be found at [www.iowaworkforce.org/labor/iosh/](http://www.iowaworkforce.org/labor/iosh/). Information on OSHA regulations for new businesses, go to [www.osha.gov/dscpl.smallbusiness/](http://www.osha.gov/dscpl.smallbusiness/) and [www.osha.gov/OchDoc/data\\_General\\_Facts/newbusinesses-factsheet.html](http://www.osha.gov/OchDoc/data_General_Facts/newbusinesses-factsheet.html)

#### **Federal, State, and Local Financing Assistance**

- ❑ Small Business Administration (SBA) does not make direct loans to small businesses, except for qualifying natural disaster assistance. The SBA does have a number of loan guarantee programs for lenders when making loans to qualified small businesses. More information can be found at [www.sba.gov/category/navigation-structure/loans-grants/small-business-loans](http://www.sba.gov/category/navigation-structure/loans-grants/small-business-loans).
- ❑ United States Department of Agriculture (USDA) Rural Development like the SBA doesn't make direct loans to small businesses. They do have a number of programs that provide assistance to small businesses located in rural areas, including a loan guarantee program similar to the SBA. More information can be found at <http://www.rd.usda.gov/ia>
- ❑ Iowa Self-Employment Program is a financing program for those with a qualifying disability. It is administered by Iowa Vocational Rehabilitation. More information can be found at [www.ivrs.iowa.gov/iowaSelfEmploymentProgram/SelfEmploymentMainIndex.html](http://www.ivrs.iowa.gov/iowaSelfEmploymentProgram/SelfEmploymentMainIndex.html)
- ❑ Iowa MicroLoan Program provides six-year term loans from \$5,000 to \$50,000 for startup, expansion or refinancing. Must have less than 10 employees and denied credit by a lender. More information can be found at [www.iowamicroloan.org](http://www.iowamicroloan.org)
- ❑ Iowa Small Business Loan Support Program is administered by the Iowa MicroLoan Program and provides \$5,000 to \$100,000 at 7% for up to 5 years. More information can be found at [www.iowaeconomicdevelopment.com/Entrepreneurial/ISBLSP](http://www.iowaeconomicdevelopment.com/Entrepreneurial/ISBLSP)
- ❑ Revolving Loan Funds – A number of non-profit organizations, economic development entities and utility companies have low interest Revolving Loan Funds. They are listed by county at [www.rurdev.usda.gov/SupportDocuments/IA\\_rlf.pdf](http://www.rurdev.usda.gov/SupportDocuments/IA_rlf.pdf)

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