

Info sheet >>>

STEP-BY-STEP INCORPORATION GUIDE

What you need to know to form a business.

SOLE PROPRIETORSHIP

This resource will help entrepreneurs understand the steps required to legally incorporate and operate in New York State. Not all business structures that are available under the New York Business Corporations Law are included; only the most common ones are within our Step-By-Step Incorporation Guide Info sheets.

SOLE PROPRIETORSHIP DEFINED

A sole proprietorship is a one-person owned/controlled business. Also known as a “DBA” (Doing Business As). The owner is personally liable for all business debts.

STEP-BY-STEP >>>

1. Begin Operating.

File Certificate of Assumed Name (if applicable).

- 2.**
- **Filing Fees: \$25 for Certificate of Assumed Name plus county clerk fees for each county the business intends to do business.**
 - \$100 for each county within NYC, and \$25 for each county outside NYC.
 - Forms can be found here: <https://www.dos.ny.gov/forms/corporations/1338-f-l.pdf>.

3. Depending on the municipality, you may be required to attain certain operating or occupancy permits. It is recommended that you contact your local Small Business Development Center.

- You can locate one near you by searching here <https://www.sba.gov/tools/local-assistance/sbdc>

4. It is considered a best practice to hold business funds separate from personal funds.

DISCLAIMER: This info sheet is not intended to provide legal advice and is not a substitute for advice from an attorney, nor does it give rise to an attorney-client relationship. It should be used for educational and informational purposes only. The Rural Law Initiative makes every effort to provide complete and up-to-date legal information. However, legal advice must be tailored to your specific circumstances and laws are always changing. Accordingly, we make no warranties about the accuracy of the information contained herein, and disclaim liability for damages resulting from reliance on these materials.

STEP-BY-STEP continued >>>**5.****Obtain an Employer Identification Number (EIN).**

- Must file **Form SS-4** found here : <https://www.irs.gov/pub/irs-pdf/fss4.pdf>, or complete the **online application** found here <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>.

An important note >>>

An EIN is required if hiring employees, opening a business bank account and making purchases on behalf of the business.

6.**Obtain professional licenses (if applicable).**

- Helpful links to identify possible licenses or permits: <http://www.nys-permits.org/>

7.**If you have employees, register for Unemployment Insurance Tax and Employee Withholding Tax:**

- <https://labor.ny.gov/ui/employer.shtm>.

8.**If you are selling taxable goods or services, you will need to obtain a Certificate of Authority**

- **To find proper form visit:**
- https://www.tax.ny.gov/bus/multi/register_license.htm

9.**Obtain Other Relevant Insurance: Worker's Compensation, General Liability, etc.**

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