



BUSINESS START-UP GUIDE

When starting a new business, it helps to follow some basic steps to ensure you have a sound plan and required documentation. The following information will direct you to the proper agencies or helpful resources to get you started.

Step 1: Self-Assessment. Is business ownership right for you? Learn more about the steps involved in starting and running a business and take a quick self-assessment to determine if entrepreneurship is right for you, right now.

A graphic with a dark blue background and a red curved line at the top. On the left, white text reads "Are you in need of business assistance?" followed by a red link "Click here for next steps". On the right, there is a photograph of three women of different ethnicities smiling. One woman is holding a purple sign that says "Come in! We're OPEN".

Step 2: Research Your Idea and Develop a Business Plan. A business plan will help you transform your great idea into a viable business. You will want to undertake research to determine as much information as possible about crucial aspects of your potential business: customer demand, industry trends, the target market and your competition. A business plan will also help you to develop a strategy and plan for marketing, financing, and managing your new enterprise. Business plans are often requested by financial institutions, investors, creditors, potential employees and partners and you owe it to yourself to complete one before investing your hard-earned time and revenue into this new venture.

Resources to assist with the research and development of your business plan include:

- U.S. Small Business Administration (SBA): articles, guidance and templates on business plans and related topics, including: [Elements of a Business Plan](#)
- Maryland Women's Business Center: workshops, including a monthly business plan workshop, and online resources including a sample business plan outline.

- Maryland Department of Business and Economic Development offer [start-up tips and resources](#) on its website.
- [Montgomery County Public Libraries](#): [Biz Info](#), valuable online resources for starting and expanding a business.

Step 3: Select your legal business structure. Determine which form of business structure is most appropriate for your operation: Sole Proprietorship, General Partnership, Corporation, Benefit Corporation, Limited Liability Company (LLC), Limited Partnership, Limited Liability Partnership, Benefit Corporation, or Non-Profit.

Each structure has certain advantages and disadvantages so before making a selection, we recommend obtaining advice from an accountant and attorney, or professional advisor.

Step 4: Research your business name

Before selecting and reserving the name for your business, we suggest that you do some research to determine whether and how your name is already in use.

Check domain name availability if that might be a factor in your business. GoDaddy, Legal Zoom, and Google are good places to start.

Step 5: Obtain credit verification

- [Dun & Bradstreet](#)
- [Maryland Department of Assessment and Taxation](#)

Step 6: Register the name of your business

- Register the trade name of your business with the [Maryland Department of Assessments & Taxation](#), fee: \$25.00
- While not required, you may want to research and consider obtaining a trademark on your name from the [U.S. Patent and Trademark Office](#).

Step 7: File Articles of Incorporation with the State of Maryland

- A. **Sole Proprietor or General Partnership:** No legal document filings or other formalities are required, except compliance with State and local licensing and taxation requirements.
- B. **Limited Liability Corporation (LLC):** File Articles of Organization with the [Maryland Department of Assessments and Taxation](#). Fee: \$100.

C. **Limited Liability Partnerships (LLP) and Corporations:** File Articles of Partnership or Articles of Incorporation with the [Maryland Department of Assessments and Taxation](#). Fee varies. Seek legal advice and assistance.

Step 8: Obtain a Federal Employer Identification Number. This is very quick and easy to do. It is available on-line from the [IRS](#).

Step 9: Register for tax accounts with Maryland

- Maryland Comptroller of the Treasury: Fill out the [Combined Registration Form](#) to establish your tax accounts, including:
 - Admissions and amusement tax account
 - Income tax withholding account
 - Sales and use tax license
 - Tire recycling fee
 - Transient vendor license
 - Unemployment insurance account
- **Personal Property Taxes.** In Maryland all businesses are taxed on business- owned personal property such as furniture, fixtures, office and industrial equipment, machinery, tools, supplies, inventory and any other property not classified as real property. You must file a [Business Personal Property Return](#) every year, on April 15, regardless of whether you have property. The minimum fee to file the report is \$300 per year. Businesses are automatically registered when they are formed and file articles of organization/incorporation with the State.

Step 10: Research and obtain required licenses and permits

Neither the State of Maryland nor Montgomery County issues a general business license. However, business licenses may be required for specific business activities and occupations.

- Occupational Licenses. The Maryland Department of Labor, Licensing and Regulation (DLLR) is responsible for issuing [Occupational and Professional Licensing](#) in specific industries. Please contact the Department of Labor, Licensing and Regulation with any questions: phone: 410-230-6220; email: op@dllr.state.md.us
- Trader's licenses. Most retail (and many other) enterprises require a business license to operate legally in Montgomery County. To determine whether your particular business activity requires a license, contact the [Montgomery County Clerk of the Circuit Court](#); phone: 240-777-9400

- Construction trades and vendors. The [Montgomery County Department of Permitting Services](#) (DPS) requires licenses for the following businesses:
 - Agricultural Producer
 - Benefit Performance
 - Board of Electrical Examiners
 - Door To Door Vendor
 - Electrical Contractors
 - Homeowner's Electrical Examinations
 - Journeyman Electrician's License
 - Master Electrician's License
 - Preventing Electrical Signature Fraud
 - Regular Route Vendor's License
 - Sign Installer License
 - Site-Specific Vendor's License
- Consumer Protection Licenses. [The Montgomery County Office of Consumer Protection](#) issues licenses for the following:
 - New Homes Building Contractor
 - Secondhand Personal Property Dealers
 - Motor Vehicle Repair
 - Maintenance and/Towing
 - Radio, Television and Electrical Appliance Installation and Repairs
- Food, lodging and health related licenses. The Montgomery County Department of Health and Human Services [Licensure and Regulatory Services](#) requires licenses and permits for almost every establishment or activity that involves public consumption of food (regardless of charge). In addition, the department requires licenses for the following:
 - restaurants
 - mobile food vendors
 - camps
 - tanning and massage facilities
 - transient lodging
 - private education facilities
 - nursing homes
 - assisted living facilities
 - daycare facilities
 - group homes
 - activities involving video games, bingo, raffles, and swimming pools

- Home based businesses. If your home-based business generates more than five vehicle visits per week (excluding deliveries) or has one nonresident employee, you must register your business with the [Montgomery County Department of Permitting Services](#). Home based day care facilities, private educational institutions, boarding houses, tourist homes, home health care practitioners and lawn maintenance services must obtain separate licenses through the Department of Permitting Services.
- Zoning and Permitting. If your business will own or lease commercial property (i.e. storefront, office space, etc.), you must ensure that you are in compliance with local laws regarding the acceptable activities in that location and with local laws regarding safety (i.e. use and occupancy, fire codes, etc.) Contact the [Montgomery County Department of Permitting Services](#).

Step 11: Get Started in Business!

- Open a business bank account
- Set up your financial and record keeping system
- Secure your location
- Obtain insurance (professional liability, workers compensation, health insurance, etc.)
- Develop your brand and marketing materials including: website, social media and business cards
- Network: join groups that will give you access to potential clients and people to help you grow.
- Expand your team: identify professionals; create an advisory board; hire staff
- Obtain financing for start-up and working capital.