

1st Stop Business Connection

www.business.ohio.gov/starting

Updated: 2014

Starting Your Business In Ohio

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1st Stop Business Connection
Ohio Small Business Development Centers
Ohio Development Services Agency
P.O. Box 1001
Columbus, Ohio 43216-1001

www.business.ohio.gov/starting



Development
Services Agency



BUSINESS PLANNING

One of the first steps in starting a business is creating a business plan. It will help you determine what you must accomplish, acquire and learn before you start a small business. Your business plan will also be used as a tool to access money to start your business. Your plan will tell bankers, suppliers and future employees about your goals, how you plan to run your business, and how much thought you have to put into the process.

Complete the business plan guide that is part of this kit. This guide will help you gather the information you need to create your business plan.

Your local Ohio Small Business Development Centers (SBDC) can help you plan. The SBDCs are staffed by highly trained business advisors who offer no – cost counseling to assist you with your business needs.

Once you contact the SBDC, you will work closely with a business advisor. Your business advisor will regularly review your progress and help you find the answers you are seeking. Center personnel can also recommend training courses to meet your specific needs.

Most SBDC’s require that you attend a basic start-up class that will help you understand business planning, operation and financing. They will ask for a draft business plan to review at your first counseling session.

OHIO SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)

Akron	(330) 375-2111	Hamilton	(513) 737-6543
Athens	(740) 593-0473	Lebanon	(513) 932-8145 ext. 5317
Cambridge	(740) 432-6568	Lima	(419) 995-8184
Cincinnati – <i>Clermont Chamber</i>	(513) 576-5000	Mansfield/Shelby	(419) 755-9017
Cincinnati – <i>Urban League</i>	(513) 487-1155	Marietta	(740) 373-5150
Cleveland Hts. – <i>Cleveland State</i>	(216) 321-1633	New Philadelphia	(330) 308-7479
Cleveland – <i>Hispanic Bus. Center</i>	(216) 281-4422	North Canton	(330) 244-3290
Cleveland – <i>Urban League</i>	(216) 622-0999	Painesville	(440) 357-2290
Columbus – <i>Columbus State</i>	(614) 287-5294	Piketon	(800) 860-7232 ext. 231
Dayton – <i>Wright State University</i>	(937) 775-3503	Piqua	(937) 381-1516
Dayton – <i>Entrepreneurs Center</i>	(937) 281-0118	Springfield	(937) 322-7821
Defiance	(419) 782-6270	Toledo	(419) 243-8191
Elyria	(440) 366-4370	Youngstown	(330) 941-2140
Fremont	(419) 559-2210		

OHIO INTERNATIONAL TRADE ASSISTANCE CENTERS (ITAC)

Cleveland	(216) 523-7347	Piketon	(740) 289-2071 ext. 235
Columbus	(614) 287-5294	Toledo	(419) 530-5682
Dayton	(937) 775-3524	Youngstown	(330) 941-2140

OHIO MANUFACTURING and TECHNOLOGY SMALL BUSINESS DEVELOPMENT CENTERS (MTSBDC)

Columbus	(614) 287-5294	Piketon	(800) 297-2072
Kent	(330) 672-0793	Toledo	(419) 243-8191

www.ohiosbdc.ohio.gov

Quick Reference Guide

Do I need a Business License? Some states require all businesses to have a generic business license. Anyone planning to do business within the State of Ohio **must register** with the Secretary of State's office.

1st - File with the Ohio Secretary of State (See p. 5 for further details)

1. Search the name of your business at the Secretary of State's office. Online database: <http://www.sos.state.oh.us/SOS/Businesses.aspx> or call the **Business Services Division (877) 767-3453**.

2. What is the business legal structure? (See p. 6 for further details)

All updated forms can be found at: <http://www.sos.state.oh.us/SOS/Businesses.aspx>

2nd – Will the company have employees? (See p. 15 for further details on the following information)

No - Register with the following

- Internal Revenue Service (IRS) – **Form SS-4** [Application for Employer/Federal Identification Number – (EIN or FEIN)] www.irs.gov or **(800) 829-4933**
- Ohio State Agencies (www.business.ohio.gov)
 - i. Bureau of Workers' Compensation - **(800) 644-6292** (See p. 15 for further details)

Please Note -Sole Proprietors and Partnerships, and Individual Corporations wanting workers' compensation coverage for their proprietors, partners or officers must complete [Form U-3](#)

Yes - Register with the following

- IRS – **Form SS-4** (EIN or Tax I.D) www.irs.gov or call **(800) 829-4933**
- Department of Homeland Security, U.S. Citizenship and Immigration Services **Form I-9** (Employment Eligibility Verification) **(800) 357-2099** or for the hearing impaired **(800) 278-5732** www.uscis.gov/i-9
- Ohio State Agencies (www.business.ohio.gov)
 - i. Department of Taxation - **Form IT-1** (Tax Withholding & School District Withholding Agent) **(888) 405-4039**
 - ii. Department of Job & Family Services – **Form UCO-1** (Report to Determine Liability) **(877) 644-6562**
 - iii. Bureau of Workers Compensation - [Form U-3](#) **(800) 644-6292** (see p. 15)

In Ohio, all employers with one or more employees must have workers' compensation coverage. It's the law.

3rd – Other businesses registration with the Ohio Department of Taxation can be done online at: (www.business.ohio.gov) – Ohio Business Gateway (OBG) Electronic Filing

4th - What are the specific licensing or registration requirements for the business?

- **Free** Business Checklist is available on **Step 3** at: <http://business.ohio.gov/starting>

BUSINESS NAME & LEGAL STRUCTURE REGISTRATION

All businesses must register with the Secretary of State. In Ohio, there are six main legal structures for businesses: **sole proprietorship, general partnership, limited partnership, limited liability partnership, limited liability company (for profit and nonprofit), corporation (for profit, non-profit, and professional)** you will register by filing forms specific to that legal structure. **The name of your business will also be secured when you file these specific forms.**

Name Availability

The Secretary of State's office is the filing agency for business name and legal structure. It does not determine whether the use of a name is legal. If a name is registered as a trade name, the Secretary of State's office will tell you that you cannot use it unless you have the permission of the business that has registered the name.

To check the availability of a name in Ohio, you can search on the Secretary of State's website (www.sos.state.oh.us), or you can call the Secretary of State's Business Services Division at (877) 767-3453.

A person can file for a **Name Reservation**. A name is reserved for 180 days from the date of filing and can be renewed prior to expiration. This cannot be used to conduct business in Ohio, but ensures that the name will be available at the time you are prepared to file your business entity. There is a **\$50 filing fee. (Name Reservation Form 534B)**

A **trade name** cannot be used by any other business. Filing prevents any other business from registering the same name with the Secretary of State. There is a **\$50 filing fee (Name Registration Form 534A)**.

A **fictitious name** is not as protected as a trade name. A fictitious name is registered with the Secretary of State, but anyone can use it. There is a **\$50 filing fee (Name Registration Form 534A)**.

Business from Outside of Ohio

If you are a business from outside Ohio, referred to as a **"Foreign Entity,"** you will also need to register your business with the Secretary of State's office if you are transacting business in Ohio.

Non-Profit Organization

Legal Information for Non-Profit Corporations (LINC) Ohio <http://www.lincoho.org> this web site provides over 2,500 internet resources to help non-profit organizations with their legal and management questions.

United Way of Central Ohio, Neighborhood Training Academy, (614) 241-3071 www.uwcentralohio.org

FIRSTLINK, 2-1-1 OR (614) 221-2255 <http://www.firstlink.org/public/training>

*****Please note these non-profit organizations also offer workshops on how to start a non-profit organization.**

*The following page has business organizational options, which are for informational purposes only. **It is not legal advice.** Before starting your business, it is recommended you consult with your attorney.*

BUSINESS LEGAL STRUCTURES

SOLE PROPRIETOR

Single owner and controller.

{Name Registration (*Trade or Fictitious*) DBA}

Liability - Owner is responsible for own actions and employees.

Taxed Once - Owner reports all income and expenses on personal tax return.

Advantage – No partnership agreement.

Disadvantage - Personal assets are more open to attack in a legal case.

FORM# 534A COST \$50

(In State or *foreign* State of Ohio registrant)

GENERAL PARTNERSHIP

Owned and controlled by two or more.

Liability - Owners is responsible for own actions and actions of employees.

Taxed Once – Partners report share of income on individual tax return.

Advantage – Taxed only once.

Disadvantage - Personal assets more open to attack in a legal case.

FORM # 534A COST \$50

(In State or *foreign* State of Ohio registrant)

LIMITED PARTNERSHIP

Owned and controlled by at least one general partner and at least one limited partner.

Liability - Partners are responsible for own actions and employee actions.

Taxed Once - General and limited partners report their share of partnership income on individual tax returns.

Advantage - Limited partners' assets are less open to attack in a legal case.

Disadvantage - General partners' personal assets are more open to attack in a legal case. Approval needed from partners before management duties are transferred.

FORM# 531A COST \$125

(*Foreign* State of Ohio registrant file **FORM 531B**)

LIMITED LIABILITY COMPANY

Owners of an LLC are called members and may include individuals, corporations, other LLCs and foreign entities.

Liability - *Members are responsible for own actions and actions of the business.*

Taxed Once - Members report their share of business income on individual tax returns.

Advantage - Personal assets are generally less open to attack in a legal case.

Disadvantage – Must have approval of all members before management duties are transferred.

FORM# 533A COST \$125

(*Foreign* State of Ohio registrant file **FORM 533B**)

C-CORPORATION

Owners may be one or more individuals, corporations, other LLCs/foreign entities.

Liability - Shareholders are responsible for own actions and actions of the business.

Taxed Twice – Shareholders pay taxes on their earnings. Corporation also pays its own taxes.

Advantage - Easy to transfer shares.

Disadvantage - Personal assets can be attacked, but business assets are taken first.

FORM# 532 COST \$125

(*Foreign* State of Ohio registrant file **FORM 530A**)

LIMITED LIABILITY PARTNERSHIP

Owned and controlled by an association of two or more persons to carry on as co-owners of a business for-profit.

Liability - Each partner has managerial control and the ability to bind the partnership as an agent, similar to that of a general partnership.

Tax Responsibility - All partners in a limited liability partnership have their individual liabilities for partnership debts capped at the amount of their investment.

FORM# 536 COST \$125

(*Foreign* State of Ohio registrant file **FORM 537**)

S-CORPORATION

In Ohio, business must be registered as a C-corporation before applying for S-corporation status from the Internal Revenue Service (IRS). Shareholders pay taxes on their earnings. Corporation does not pay federal taxes.

IRS FORM# 2553 COST FREE

HOW TO CHOOSE

Independent Contractor or Employee?

You may be considering contracting your extra work or projects instead of hiring employees. If you do this, you must pay careful attention to three details that the state and federal governments look at to determine if your workers are independent contractors or really your employees. It is important to determine whether your workers are independent contractors or employees so you know if you are liable for workers' compensation, unemployment compensation, etc.

1. Behavioral Control

- Will you direct and control how the work is done?

2. Financial Control

- To what extent will the worker be reimbursed for business expenses?
- To what extent will the worker invest in the facilities or material used to complete the work?
- How will you pay the worker? Weekly, monthly, or when the work is finished?

3. Type of Relationship

- Will there be a written contract describing your business relationship with the worker?
- Will the worker's services be available to other businesses while working for you?
- Will you provide insurance, a pension plan, vacation and sick pay?
- How long will your relationship with the worker last?

Detailed information is available in the IRS's **Employer's Supplemental Tax Guide (Publication 15-A)**. You can also file **Form SS-8 (Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding)** and allow the IRS to determine if a specific individual is an independent contractor or employee.

It is recommended you talk with an attorney or an accountant to make a final decision as to the status of your workers.

If you are considering employees, see Section on Employer Requirements on Page 14-15

TAX REQUIREMENTS

Federal Taxes

To help businesses identify and comply with federal income tax rules, the Internal Revenue Service (IRS) has several toll-free taxpayer assistance telephone lines. **(See p. 24 for contact information)**

Ohio Income Taxes

- **Sole proprietors** must pay Ohio income tax on their Ohio net earnings (income after expenses).
- **Partners** must pay Ohio income tax on their share of the partnership's net earnings.
- **Corporations** must pay Ohio income tax on their net earnings. The shareholders must pay Ohio income tax on their dividends. **(See p. 24 for contact information)**

Ohio's Commercial Activity Tax (CAT)

- The commercial activity tax (CAT) is an annual tax imposed on the privilege of doing business in Ohio, measured by gross receipts from business activities in Ohio. Businesses with Ohio taxable gross receipts of \$150,000 or more per calendar year must register for the CAT, file all the applicable returns, and make all corresponding payments. The CAT is not a transactional sales tax.
- Business with taxable gross receipts of \$150,000 or more in a calendar year will file the CAT when the threshold is reached.

The CAT applies to:

- All types of businesses: e.g., retailers, service providers (such as lawyers, accountants, and doctors), manufacturers, and other types of businesses..
- All entities regardless of form, (e.g., sole proprietorships, partnerships, LLCs, and all types of corporations).

How to register your business:

- Taxpayers having over \$150,000 in taxable gross receipts situated to Ohio for the calendar year are required to file returns for the CAT.
- In order to file returns, a taxpayer must first register for CAT with the Department of Taxation. Registration is available electronically through the [Ohio Business Gateway](#). Alternatively, taxpayers may register by submitting the CAT 1 registration form. The CAT 1 registration form is available through the Department's Web site at [Tax Forms](#) or may be requested by calling **1-800-282-1782**.

***** Ohio RevisedCode 5751.07 was amended in the most recent budget bill to allow the Department to require annual CAT taxpayers to file and pay electronically for returns filed on or after Jan. 1, 2014. (http://www.tax.ohio.gov/commercial_activities.aspx)**

VENDOR'S LICENSE

The Vendor's License is the mechanism that allows you to collect sales and use tax from your customers and to remit sales and use tax to the Ohio Department of Taxation. To purchase your vendor's license, you can download the forms from the website (http://www.tax.ohio.gov/sales_and_use/license.aspx).

******Note: The processing of a paper application may take up to six weeks. If you wish to complete the application through the mail, please use the link above to obtain a copy of the paper application for the appropriate account type.***

Vendor License & Filing Requirements

Taxpayer	Cost of License	Description	Type of Application
Vendor	\$25	Each person with a fixed place of business in Ohio from which taxable sales are made. Vendors must have one license for each fixed place of business. License is issued by the County Auditor.	ST-1 ^(PDF)
Transient Vendor	\$25	Retailer who transports stock(s) of goods to temporary places of business in order to make sales. The license is issued by the Department of Taxation and valid throughout the state.	ST1-T ^(PDF)
Seller	No fee	Retailer located outside of Ohio who makes retail sales of property or services for storage, use, or consumption in Ohio. The license is issued by the Department of Taxation.	UT 1000 ^(PDF)
Direct Pay Permit Holder	No fee	Manufacturers or other consumers who purchase tangible personal property for which the taxable status cannot be determined at the time of purchase. These consumers are authorized to make sales and use tax payments directly to the state. The license is issued by the Department of Taxation.	ST 900
Consumers Use Tax Account	No fee	Purchasers who have not paid the tax to a Vendor or Seller (in most cases for out-of-state transactions) make payments directly to the state. The license is issued by the Department of Taxation.	UT 1008 ^(PDF)

How Often Will I Pay?

Type of Return	Taxpayer	Payment Date
Monthly	Vendors, Sellers, Transient Vendors, Direct Pay Permit Holders and Consumer Use Tax Accounts	By the 23rd day of the month for the tax collected during the preceding month. Taxpayers whose annual liability exceeded \$75,000 will be required to make accelerated and final payments by electronic funds transfer.
Quarterly	Direct Pay Permit Holders and Consumer Use Tax Accounts	By the 23rd day of January, April, July, and October for their tax liability during the preceding three months. This method of payment may be authorized for accounts with less than \$15,000 in quarterly tax liability.
Semi-annual	Vendors, Sellers and Transient Vendors	By the 23rd day of the month following the close of each semi-annual period (pre-determined by filing schedule) for the tax collected during the preceding six-month period. This method of payment may be authorized for vendors and sellers whose tax liability is less than \$1,200 per six-month period.

As a part of the vendor’s license registration you will need the North American Industry Classification System (NAICS) Code for your business. To determine your NAICS code visit <http://www.census.gov/eos/www/naics>

The **Ohio sales and use tax rate is set with a state base rate of 5.5 percent.** Counties are allowed to **add from .25 percent to 1.5 percent for local sales tax**, so rates vary from county to county (rates available at http://www.tax.ohio.gov/sales_and_use/rate_changes.aspx.) All Sales and Use Tax reports are required to be submitted online through the Ohio Business Gateway at <http://business.ohio.gov>.

Certificate of Exemption

The State of Ohio does not issue a sales tax exemption number. A vendor’s license number is **NOT** a sales tax exemption number. To claim exemption, you must provide a properly completed exemption certificate to your supplier.

CONSUMER LAWS

The Ohio Attorney General's Office enforces laws to ensure a fair marketplace for businesses and consumers. The **Consumer Sales Practices Act (ORC 1345.01 and OAC 109:4-3-01 <http://codes.ohio.gov>)** is the state's main consumer protection law. It prohibits deceptive, unfair and unconscionable sales practices in consumer transactions. A consumer transaction is a sale or advertisement of a product or service that would be used for the home or personal use. [Complying with Ohio Consumer Law-A Guide for Businesses](#)

To protect consumers, small businesses and nonprofits, the Ohio Attorney General's Office offers an informal dispute resolution process to help resolve complaints regarding consumer transactions. To learn more about filing a complaint please visit the Attorney General's website <http://www.ohioattorneygeneral.gov/>.
(See p. 24 for contact information)

OSHA REQUIREMENTS

Through the Federal Occupational Safety and Health Act, the U.S. Occupational Safety and Health Administration (OSHA) helps assure a safe and healthy work environment.

To help Ohio's businesses meet OSHA requirements, the Ohio Department of Commerce's Division of Industrial Compliance and Labor on-site consultation. This means a trained specialist will come to your business, at your request, and tell you about potential hazards at your worksite. The service is confidential and you will not be cited or penalized for any hazards found during the consultation. If hazards are found however, you will be expected to correct them.

Requesting a consultation will not trigger an OSHA inspection. Federal OSHA offices can also provide assistance, information and publications to help you understand OSHA requirements. (See p. 24 for contact information)

ZONING REQUIREMENTS

If you will start a business in your home or any other out of the ordinary location, please check with your local zoning administration to determine if the neighborhood zoning laws allow for that type of business in that location.

ENVIRONMENTAL REQUIREMENTS

Small businesses, like big businesses, need to know and understand environmental regulations. The Ohio Environmental Protection Agency (EPA) makes sure everyone complies with environmental laws. The agency monitors land, air and water. You should contact the Ohio EPA while you are still planning your business. The Ohio EPA has programs, such as the Small Business Assistance Program, that help new businesses comply with environmental laws.

Water and Sewer

Before your business connects to a publicly owned wastewater system, the local sewer department must approve it. If your business is constructing a new private disposal system, contact the Ohio EPA for information about regulations.

Hazardous Waste

If your business will create, transport, store, treat or dispose of any hazardous or toxic wastes or used oil, contact the Ohio EPA for information about regulations.

Solid and Infectious Waste

The Ohio EPA regulates the transfer and disposal of non-hazardous solid wastes and scrap tires. Disposal facilities include landfills, compost operations and incinerators. The Ohio EPA also regulates generators and transporters of infectious waste. Contact the Ohio EPA for information about these regulations

Air

All businesses that emit a certain amount of air contaminants must have permits to install and operate the air contaminant source. The Ohio EPA should also be notified if any building areas with asbestos will be demolished or renovated. Open burning of materials is generally not allowed in Ohio.

Other Ohio EPA Resources: (See p. 24 for contact information)

Business Assistance: <http://www.epa.ohio.gov/Default.aspx?alias=www.epa.ohio.gov/ocapp>

Small Business Compliance Assistance: <http://web.epa.ohio.gov/ocapp/ocapp.html>

Ohio EPA Permit Wizard: <http://epawebapps.epa.state.oh.us/PermitWizard/jsp/index.jsp>

Publications Catalogue: <http://ohioepapubs.custhelp.com/app/answers/list>

Guide to Environmental Permitting in Ohio:

<http://www.epa.ohio.gov/portals/41/sb/publications/permitguide.pdf>

Self-assessment Guide: <http://www.epa.state.oh.us/portals/41/sb/publications/selfgde.pdf>

Industry Specific Information: Please see *Checklist* for industry specifications at

www.business.ohio.gov/starting.

PATENT REQUIREMENTS

The **United States Patent and Trademark Office (USPTO)** is an agency of the U.S. Department of Commerce and issues patents for protection of inventions and trademarks. To receive a patent an application must be filed in the U.S. Patent and Trademark Office. There are three types of applications that may be filed. They are: **utility**, **design** and **plant**. There are **various application fees** depending upon the patent you are applying for.

Utility patents should be applied for by those who “invent or discover any new and useful process, machine, article of manufacture, or compositions of matters, or any new useful improvement thereof.”

Design patents should be applied for by those who “invent a new, original and ornamental design for an article of manufacture.”

Plant patents should be applied for by those who “invent or discover and asexually reproduces any distinct and new variety of plant.”

What is a copyright?

Copyright is a form of protection provided to the authors of “original works of authorship” including literary, dramatic, musical, artistic and certain other intellectual works, both published and unpublished. The 1976 Copyright Act generally gives the owner of copyright the exclusive right to reproduce the copyrighted work, to prepare derivative works, to distribute copies of the copyrighted work, to perform the copyrighted work publicly, or to display the copyrighted work publicly.

The copyright protects the form of expression rather than the subject matter of the writing. For example, a description of a machine could be copyrighted, but this would only protect others from copying the description; it would not protect others from writing a description of their own or from making and using the machine.

Copyrights are registered by the Copyright Office of the Library of Congress.

(See p. 24 for contact information)

LICENSES AND PERMITS

Several businesses require a specialized license or permit. Below is a short list of such businesses.

BE SURE TO REVIEW YOUR CUSTOMIZED "CHECKLIST" FOR THE TYPE OF BUSINESS YOU WANT TO START.

(SEE STEP 3 AT WWW.BUSINESS.OHIO.GOV/STARTING)

Accountant or CPA	Electric Contractors/Installers	Plumbers
Architects	Funeral Homes & Embalmers	Precious Metal Dealers
Auctioneers	Hotels	Private Investigators
Bar or Pub	HVAC Contractors	Real Estate Agents & Appraisers
Barbers Or Beauty Salon	Insurance Agent	Respiratory Care
Boiler Operators	Investment Advisors	Restaurant
Boxing/Mixed Martial Arts	Liquor Permits	Savings & Loans
Check Cashers	Medical Professionals	Security Guards
Chiropractors	Mortgage Broker	Speech Pathology & Audiology Services
Collection Agency	Nursing	Stock Brokers
Counselor & Social Workers	Occupational/Physical Therapy or Athletic Trainers	Trucking Business (Inter and Intra-state)
Credit Unions	Optometrists	Utilities
Daycare	Pawn Broker	Veterinary Medicine
Dentists	Pesticides Dealer	X-ray Equipment
Dietitian	Pharmacists	

INSURANCE INFORMATION

Insure your business and its assets. Possible types of coverage for your business include: Liability, buildings, business income, boiler & machinery, business personal property, commercial auto, management protection, human failure, employee protection, computer equipment, vehicles, burglary, etc.

OTHER RESOURCES: *Ohio Department of Insurance* - Listing of Insurance Companies Authorized to Transact Business in Ohio. <https://secured.insurance.ohio.gov/Company/authlist.asp>

It is recommended you talk with an attorney or insurance agent to ensure that every aspect of your business is covered.

Guidance on Ohio's Smoking Ban

Attention Business Owners: *Smoking in Places of Employment or Public Places is prohibited in the State of Ohio*

Frequently Asked Questions

How long has Ohio had a smoking ban?

Voters approved the indoor smoking ban in November 2006, making Ohio the first Midwestern state and the first tobacco-growing state to enact such a ban.

Are any places exempt from the ban?

Under certain conditions, private residences; family-owned businesses without non-family employees; certain areas of nursing homes; outdoor patios; and some retail tobacco stores are exempt.

What are the penalties for violating the smoking ban?

Businesses: Warning letter, first violation; \$100, second violation; \$500, third violation; \$1,000, fourth violation; and \$2,500, fifth and subsequent violations. Note: fines may be doubled for intentional violations at the discretion of the enforcement entity and may be assessed on a daily basis for continuing violations.

Individuals: Warning letter; first violation; \$100, second and subsequent violations.

Retaliation against Complainant: Warning letter, first violation; \$1,000, second violation; \$2,500 third and subsequent violations.


What are their proprietors' obligations under the smoking ban?

They are essentially threefold: prohibit smoking, remove ashtrays and post no-smoking signs with the toll-free enforcement number – 1-866-559-OHIO (6446).

- **Prohibit smoking** in any “public place” or “place of employment.” For definitions of a “public place” and “place of employment,” please read the definitions at **ORC 3794.01**.
- All “public places” and “places of employment” must post conspicuous signs at each entrance. The signs must be clearly legible and shall contain a toll-free number for reporting violations. ODH has designed two sample signs which, when properly placed, meet the requirements of **ORC 3794.06 (A) Posting of Signs**.

Samples of the proper signs can be found at:

<http://www.odh.ohio.gov/smokefree/Smoking%20Ban%20FAQs.aspx>

Please note: If the no smoking symbol () is used, it must, in accordance with ORC 3794.06A be printed in color.

EMPLOYER REQUIREMENTS

Employer Identification Number

A business with employees must complete the federal Application for **Employer Identification Number (Form SS-4)** to receive an Employer Identification Number (**EIN**). The EIN will be needed when you file taxes.

If your business is a corporation, partnership, or limited liability company, it must have an EIN even if there are no employees. Sole proprietors must also have an EIN to pay wages to one or more employees or if they are required to file any excise tax returns (including those for alcohol, tobacco and firearms). To obtain the EIN file the **Application for Employer Identification Number (Form SS-4)**.

After you submit **Form SS-4**, Call 1-800-829-4933 to request a Federal Tax Deposit Coupon book (**Form 8109**) if you don't pay taxes electronically. These coupons are used when the business makes deposits of deducted employee personal income tax payments, joint employee-employer social security tax and Medicare payments, and employer payments for Federal Unemployment Tax.

Every employee must have a **Summary of the Total Dollars Withheld** for the prior year on a **Form W-2** by **January 31**. The employer must submit **Form W-2** for each employee and **Form W-3** for all employees to the Social Security Administration by **February 28**. (See p. 24 for contact information)

Immigration Law

The United States Immigration Law requires employers to verify that their employees are allowed to work in the United States. **Form I-9 (Employee Eligibility Verification)** must be completed for every employee hired. For detailed information, please contact the Bureau of Citizenship and Immigration Services' Office of Business Liaison. (See p. 24 for contact information)

New Hire Reporting

Federal and state laws require all employers to report all employees who live or work in Ohio. The law was created to improve child support collection and reduce false unemployment and workers' compensation claims.

Employers must report the employee's name, address, Social Security number, date of birth, date of hire, and the state in which the employee works. Employers may submit the information in many ways, including: online electronic reporting, by mailing and/or faxing the New Hire Reporting **Form 7048**. The information must be received no later than 20 days from the date of hire. (See p. 24 for contact information)

Wage and Hour

To make sure you are complying with Ohio's regulation of hours, minors and wages, contact the Ohio Department of Commerce. They can answer your questions and supply the required poster.

Businesses that gross more than \$500,000 annually should contact the U.S. Department of Labor for information about the Fair Labor Standards Act. Also, the federal government publishes the pamphlet "**Handy Reference Guide to Fair Labor Standards Act**." You can request a copy from any local Federal Wage and Hour Office (listed in most telephone books under "U.S. Government, Labor Department, Wage and Hour Division") and found on-line at <http://www.dol.gov/whd/regs/compliance/wh1282.pdf>. (See p. 24 for contact information)

Ohio Income Tax Withholding

All employers with an office in Ohio or who are doing business in Ohio must withhold Ohio income taxes from their employees' wages each pay period. This applies only to wages paid for work performed in Ohio.

Employers must complete the **Application for Registering as an Ohio Withholding Agent (Form IT-1)** electronically through the Ohio Business Gateway www.business.ohio.gov. Follow the instructions for Ohio Taxation – New Account Registration; or by telephone **1-888-405-4089**, listen for the message and then press 2 to connect with an agent; or by paper: Complete and file Ohio form IT 1, Application for Registration as an Ohio Withholding Agent, and mail to the address on the form or fax the completed form to us at (614) 387-2165. You can also register by phone Monday - Friday, 8:00 a.m. - 5:00 p.m. **(See p. 24 for contact information)**

Unemployment

Employers of one or more workers (other than agricultural and domestic employers, who have special rules) must pay a state payroll tax, called "contributions," on wages paid to employees. These payments support Ohio's system of unemployment compensation benefits.

If you fit into any of the following categories, you must make unemployment contributions:

- Employ at least one worker in 20 different weeks during this year or last year
- Pay \$1,500 or more in wages during any quarter of this year or last year
- Are subject to the federal unemployment law this year or last year
- Acquire a business from an employer who was subject to the Ohio law, or
- Elect to cover employees voluntarily.

To register with Ohio Department of Job and Family Services (ODJFS), complete the Report to Determine Liability. (See p. 24 for contact information)

Workers' Compensation

Ohio's Workers' Compensation Insurance Fund is a no-fault program designed to protect the employees and employers when a work-related injury, occupational disease or death occurs.

In Ohio, all employers with one or more employees must have workers' compensation coverage. It's the law. Coverage for Ohio employers and their employees (i.e., employees whose contract of hire was completed within the borders of Ohio and where the supervising office of the employer is located in Ohio) becomes effective when BWC receives a completed application and the \$10 minimum security deposit. Independent contractors and subcontractors also must obtain coverage for their employees. If you do not have an existing policy with BWC and you are a new employer starting a business, or if you have acquired an existing business and the new, use the following link: <https://www.bwc.ohio.gov/employer/forms/coverage/default.aspx>.

BWC considers officers of a corporation to be employees for the purposes of workers' compensation coverage except for an individual incorporated as a corporation (to qualify, there must be a single/sole owner AND no employees).

However, if you are self-employed, a partner in a business, or an officer of a family farm corporation, you are not automatically covered. You may elect coverage for yourself by selecting yes in the elective coverage section.

To begin coverage, employers file the **Application for Coverage (Form U-3)** with the Ohio Bureau of Workers' Compensation (BWC). The BWC also encourages you to apply on-line through their website. **(See p. 24 for contact information)**

Ohio Civil Rights Commission

The State's anti-discrimination laws are enforced by the Ohio Civil Rights Commission (OCRC). The laws apply to employers with four or more employees in Ohio. Among the various requirements, employers must post the "Fair Employment Practices" poster in a highly visible area in each workplace. The OCRC also has several publications available at no cost. <http://crc.ohio.gov/> **(See p. 24 for contact information)**

WHAT SHOULD BE INCLUDED IN YOUR EMPLOYEE PERSONNEL FILES

When you begin to hire employees, you should be aware of many requirements and regulations that apply to not only taxes, but also protection of personal information and presenting knowledge of your standard business processes, procedures and policies. Below is a list of items you should consider as necessary in your individual employee personnel files. Personnel files should be in a locked cabinet with limited access to personal information in your care.

Resume and/or application form	Form 7048 New Hire Reporting
Interview Notes	Health Insurance acceptance or waiver of coverage
Background Check documentation	Delivery receipt for Employee Manual
Offer Letter with pay details	Training Record
I-9 Employee Eligibility Verification	Attendance Record
Copy of Driver’s License and additional identification	Quarterly Payroll Reports
W-4 Employee Withholding Request (IRS)	Family and Medical Leave Policy
IT-4 Employee Withholding Exemption Certificate (Employee and School District)	Disability Policy

Employer Required Federal Posters

Visit: <http://www.dol.gov/oasam/programs/osdbu/sbrefa/poster/matrix.htm> to determine what posters you are required to have displayed for employees.

GRANTS, LOANS, AND BUSINESS CERTIFICATION PROGRAMS

GRANTS

- The State and Federal Government **DOES NOT** have grants available to start a business at the current time. However, the following website (www.grants.gov), and your local library will be able to provide you with helpful private-sector grant information.

LOANS

- There are several loan programs available for start-up and emerging businesses. You can find information on our website (www.business.ohio.gov/starting) **(step 2)**, at your local SBDC and in the [Business Financing Opportunities](#) document which is one part of your kit.

MINORITY BUSINESS CERTIFICATION

- The Minority Business Enterprise certification program in Ohio is designed to certify minority business, making them eligible to participate in the state’s set aside program. Information is available on this program, as well as the application process, at the link or call (614) 466-8380. <http://das.ohio.gov/Divisions/EqualOpportunity/MBEEDGECertification.aspx>

EDGE – Encouraging Diversity Growth and Equity Program

- EDGE is a State of Ohio development program for economically and socially disadvantaged business enterprises. Information is available on this program, as well as the application process at the following link or call **(614) 466-8380**. <http://das.ohio.gov/Divisions/EqualOpportunity/MBEEDGECertification.aspx>

SPECIALIZED RESOURCES

There are advantages to having a business owned by a minority, woman or veteran. The advantages will depend strongly on your target customers. Many large businesses and government agencies have established set-aside programs which set a goal to partner and contract with minority, women and veteran-owned businesses.

INTERNATIONAL TRADE ASSISTANCE CENTERS

International Trade Assistance Centers (ITAC) are located throughout Ohio to promote the export of Ohio goods and services by providing small and medium-sized enterprises with qualified prospective agent and distributor reports, invaluable first-hand market research and in-county market assistance. Specific services include cultural and language assistance, custom market research, due diligence, export education (documentation, logistics, etc.), export readiness assessments and trade missions.

MINORITY BUSINESS ASSISTANCE CENTERS

Minority Business Assistance Centers (MBAC) provide a variety of business development services to new and existing business owners. Each Minority Business Assistance Center is staffed with certified business counselors that assist minority entrepreneurs with loan and bond packaging services, management, technical, financial and contract procurement assistance.

Other offices within the Division:

Office of Management and Technical Services (OMTS), and
Office of Minority Financial Incentives (OMFI).

PROCUREMENT TECHNICAL ASSISTANCE CENTERS

The Procurement Technical Assistance Centers provide a variety of services that include bid preparation assistance, bid-matching services, military specifications, one-on-one training, product and procurement histories, help with information resources, and trade events where Ohio firms can meet government buyers.

MANUFACTURING AND TECHNOLOGY SMALL BUSINESS DEVELOPMENT CENTERS

Manufacturing and Technology Small Business Development Centers (MTSBDC) provide management counseling and education services with a focus on Ohio's small manufacturers (50 and fewer employees). Consulting is a free, in-depth, and confidential service, however fees may be charged for training, market research services, assessments, and project development and production.

WOMEN BUSINESS OWNERS

The term "women's business enterprise" (WBE), and its variations, means a business that is at least 51 percent controlled, operated and owned by a woman or women. Large businesses and government agencies look for and may require a percentage of their purchases to be directed to WBE, DBE or MBE contractors. General requirements include:

1. Women owners must be citizens or lawful permanent residents of the State of Ohio and the United States.
2. Ownership. Determination of whether a business is at least 51 percent owned by a woman or women shall be made without regard to community property laws.
3. Control and operation. Factors to consider in determining whether ownership and control:
 - a. Percentage of stock owned in a corporation or capital invested in a partnership;
 - b. Provisions for sharing income and losses;
 - c. Evidence of participation in significantly business policy development and decisions of importance to the business;
 - d. Corporate history indicates that the business is, in fact, woman controlled.

AGENCIES THAT CERTIFY INCLUDE

STATE AGENCIES	
Ohio Dept. of Transportation Office of Contracts DBE Services 1980 W. Broad St., Columbus, OH 43223 http://www.dot.state.oh.us/divisions/contractadmin/contracts/pages/dbe.aspx	Phone: (800) 459-3778
CITY AGENCIES	
City of Cincinnati Office of Contract Compliance Two Centennial Plaza, 805 Central, Suite 222, Cincinnati, OH 45202 http://www.cincinnati-oh.gov/purchasing/	Phone: (513) 352-3144 Bids Hotline: (513) 352-2437
City of Cleveland - Mayor's Office of Equal Opportunity City Hall – 601 Lakeside Ave., Cleveland, OH 44114 http://www.city.cleveland.oh.us/CityofCleveland/Home/Government/CityAgencies/OfficeofEqualOpportunity	Phone: (216) 664-4152
City of Columbus –Minority (including Hispanic & Asian) and Female Business Enterprise Certification 109 North Front Street, 4th floor, Columbus, OH 43215 http://eboco.columbus.gov/content.aspx?id=34164	Phone: (614) 645-4764 Email: eboco@columbus.gov
Central Ohio Women's Business Center 1393 E. Broad St Columbus, OH 43205 www.CentralOhioWBC.com	Phone: (614) 252-8085
City of Dayton, Attn: Rubye Bouquett Dayton Human Relations Council 101 W. Third St. Dayton, OH 45402 http://www.cityofdayton.org/departments/hrc/Pages/default.aspx	Phone: (937) 333-1403
City of Elyria 131 Court St., Elyria City Hall, Elyria, OH 44035 www.cityofelyria.org	Phone: (440) 326-1491
COUNTY AGENCIES	
Cuyahoga County Office of Procurement & Diversity, Reserve Square, Lower Level, 1701 East 12th Street, Cleveland, OH 44114 http://opd.cuyahogacounty.us/	Phone: (216) 443-7200
Franklin County Purchasing, County Administration Bldg., 373 S. High St., 25 th Floor, Columbus, OH 43215 http://purchasing.franklincountyohio.gov/	Phone: (614) 525-3750

PRIVATE SECTOR WBE NATIONAL CERTIFICATION

Women's Business Enterprise National Council, 1120 Connecticut Ave. NW Suite 1000, Washington, DC 20036
 (202) 872-5515 <http://www.wbenc.org/>

National Women Business Owners Corporation, 1001 W. Jasmine Dr., Suite G, Lake Park, FL 33403
 (800) 675-5066 www.nwboc.org

REGIONAL TRANSIT AUTHORITIES (*recognize certification from other agencies*)

- Stark Area Regional Transit Authority, 1600 Gateway Boulevard SE, Canton, OH 44707 **(330) 454-6132, ext. 520** <http://www.sartaonline.com/>
- Central Ohio Transit Authority, 33 N. High St, Columbus, OH 43215 **(614) 275-5800** www.cota.com
- Queen City Metro, 602 Main St., Suite 1100, Cincinnati, OH 45202 **(513) 632-7699** www.go-metro.com
- Toledo Area Regional Transit Authority, 1127 W. Central Ave, Toledo, OH 43610 **(419) 245-7433** www.tarta.com
- Western Reserve Transit Authority, 604 Mahoning Avenue, Youngstown, OH 44502 **(330) 744-8431** www.wrtaonline.com

USEFUL WEBSITES FOR WOMEN IN BUSINESS

The websites listed below will help you find additional resources and networking opportunities for women business owners.

Women Business Owner Organizations in Ohio

www.ywcacolumbus.org - Columbus Area Women's Business Council

www.seob2b.org/group/SEOW2W - Southeast Ohio Women in Networking – Athens Area

www.wen-usa.com – Women Entrepreneurial Network – Toledo Area

State and Federal Programs

http://development.ohio.gov/bs/bs_sbdc.htm - Ohio Small Business Development Centers (SBDC)

National Women Business Owner Organizations

www.witi.org - Women in Technology International

www.nawbo.org - National Association of Women Business Owners

www.bpwfoundation.org - Business and Professional Women

www.tiaw.org -The International Alliance for Women

www.wbex.org - Women's Business Exchange

Additional Resources for Women in Business

www.iwpr.org - Institute for Women's Policy Research

CERTIFICATIONS

DBE means "Disadvantaged Business Enterprise." This term is used by government agencies and, is not the same as WBE.

FBE means "Female Business Enterprise." This term is used by the City of Cleveland and, is the same as WBE.

MBE means "Minority Business Enterprise." This term is used by government agencies and, is not the same as WBE.

VETERAN BUSINESS OWNERS

Across the nation we see a concerted effort to include veteran-owned businesses as an emerging segment of business owners with special programs focused on their needs. In most instances "veteran" includes but is not limited to:

- Veterans
- Service-disabled veterans
- Active-duty service members
- Reservists and National Guard Members

A small business owned and controlled by a service-disabled veteran is a small business that is not less than 51 percent owned by one or more service-disabled veterans, or in the case of a publicly-owned business, that is not less than 51 percent managed in the daily business operations by one or more service-disabled veterans.

USEFUL WEBSITES FOR VETERANS IN BUSINESS

The websites listed below will help you find additional resources and networking opportunities for veteran business owners.

http://development.ohio.gov/bs/bs_sbdc.htm - Ohio Small Business Development Centers (SBDC)

www.development.ohio.gov - Ohio Development Services Agency

<http://dvs.ohio.gov/> - Ohio Department of Veteran Services

http://dvs.ohio.gov/home/county_veterans_service_officers.aspx - Ohio's County Veteran Service Offices

<http://www.disabilityrightsohio.org/topic-vets-employ> - Military and Veteran Resources

www.sba.gov - U.S. Small Business Administration (SBA)

<http://www.sba.gov/content/express-programs> - SBA's Patriot Express Loan Program

<http://www.sba.gov/about-offices-content/1/2985> - Veteran Business Development Officers in Ohio

www.va.gov - U. S. Department of Veteran Affairs (VA)

www.vetbiz.gov - Veteran Business at the VA

www.navoba.com - National Veteran-owned Business Association

www.osdbu.dot.gov - Office of Small and Disadvantaged Business Utilization

www.Thefranchiseblog4Vets.com - Franchise Blog for Veterans

http://www.development.ohio.gov/bs/bs_ptac.htm - Procurement Technical Assistance Centers

www.score.org - Service Corps of Retired Executives - Counselors to America's Businesses

www.mbda.gov - Minority Business Development Agency

www.hcdc.com - Hamilton County Development Company

<https://www.facebook.com/vettown> - Dayton Veteran Business Incubator

BUSINESS PLAN WEBSITE RESOURCES

The websites listed below will help you find additional business plan resources.

www.sba.gov - U.S. Small Business Administration (SBA)

http://www.bplans.com/sample_business_plans.cfm - Free samples by Palo Alto Software, Inc.

<http://www.inc.com/guides/write-a-great-business-plan.html> - How to Write a Great Business Plan

7. Explain how you decided to price your product/service. Include information about how much you expect your costs to be and how much profit you expect to make.

8. Is there a market (need) for your business? What percentage of the market do you think you will get? Think about the markets past growth (last 3-5 years) and future growth (next 2-3 years).

9. How do you plan to advertise your product/service?

10. How will your product/service reach your target market? These are known as your sales and distribution methods.

11. Describe your future customers, locations, and new products.

PART II. MANAGEMENT

1. Describe your educational background and managerial experience in this type of business. Include all types of related experience. ATTACH A CURRENT RESUME.

2. Do you belong to any trade or business organizations?

3. What management and staff positions have you identified? What duties will they have? What skills do they need? Have you completed the necessary paperwork?

4. Which records have you thought about using to control your business?
 payroll sales/accounts receivable inventor
 purchases/accounts payable
 computer software package (name): _____
 other (describe): _____

PART III. EQUIPMENT AND INVENTORY

1. What equipment and inventory items are required to start and run your business? Attach complete lists, including costs of what you currently own and what you need to purchase or lease.

2. List the potential suppliers of the items you need for your business.

PART IV. TAXES, INSURANCE AND REGULATIONS

1. What kind of taxes will your business have to pay? Who will prepare your taxes?

2. Have you talked with an insurance agent? What type of insurance do you need? How much will it cost?

3. Which local, state and federal regulations apply to your business? What types of licenses do you need?

PART V. FINANCES (*The "Financing Your Business" attachment will help guide you through this area.*)

1. On a separate sheet of paper, make a list of all the costs you expect to incur.
2. What is the minimum amount you need to take home from the business in order to live?
\$ _____ per month.
3. When your business makes a profit, how much money are you willing to keep in the business to help it grow? \$ _____.
4. What will you do if sales do not cover expenses?

5. How much, in total, will you need to start your business? \$ _____.
6. Approximately what percent of this money will come from?
personal funds _____% borrow from bank _____%
borrow from family _____% private investors' _____%
7. On a separate sheet of paper, explain what the money will be used for.
8. What will you use as collateral against the money you will borrow?
 nothing car house or personal real estate other (specify): _____
9. Are you willing to give up ownership rights in the company or share ownership? _____
10. Who will be responsible for your debts (your cosigner) if your business fails? Make sure you have consulted with this person. _____

AGENCY CONTACTS

Ohio Development Services Agency
Office of Business Assistance - Sections
P. O. BOX 1001
Columbus, Ohio 43216-1001
<http://development.ohio.gov>

International Trade Assistance Centers
(800) 848-1300 ext. 6-2711 or (614) 466-2711
http://development.ohio.gov/bs/bs_itac.htm

Minority Business Development Division
(800) 848-1300 ext. 6-5700 or (614) 466-5700
http://development.ohio.gov/bs/bs_mbac.htm

Procurement Technical Assistance Centers
(800) 848-1300 ext. 4-1637 or (614) 644-1637
http://development.ohio.gov/bs/bs_ptac.htm

Attorney General's Office
Consumer Protection Section
(800) 282-0515
<http://www.ohioattorneygeneral.gov/Business>

Internal Revenue Service (IRS)
Forms and Publications (800) 829-3676
Tax information and notices (800) 829-4933
www.irs.gov

Bureau of Citizenship and Immigration Services
(Employee Eligibility Verification)
Office of Business Liaison (800) 357-2099
<http://www.uscis.gov/portal/site/uscis>

Ohio Department of Job and Family Services
Unemployment Compensation Guide
(877) 644-6562
<http://jfs.ohio.gov>

Ohio Civil Rights Commission
(614) 466-2785
<http://crc.ohio.gov/>

U.S. Occupational Safety and Health Administration
Cincinnati (513) 841-4132

Ohio Department of Commerce
Division of Industrial Compliance and Labor
Building Code Compliance Inspection
(800) 822-3208
<http://www.com.ohio.gov/dico/default.aspx>

Cleveland (216) 615-4266
Columbus (614) 469-5582
Toledo (419) 259-7542
www.osha.gov/dcsp/smallbusiness/index.html

Bureau of Wage & Hour Administration
(614) 644-2239
<http://www.com.ohio.gov/laws>

U.S. Patent and Trademark Office
(800) 786-9199
www.uspto.gov

Ohio Bureau of Workers' Compensation
(800) 644-6292
Cleveland (216) 787-3050
Dayton (937) 264-5217
Toledo (419) 245-2474
www.ohiobwc.com

Ohio New Hire Reporting Program
(888) 872-1490
<https://oh-newhire.com>

Ohio Environmental Protection Agency
Small Business Assistance Office
(800) 329-7518
www.epa.state.oh.us

Ohio Secretary of State
Name and Business Registration
(877) 767-3453
<http://www.sos.state.oh.us/SOS/Businesses.aspx>

Ohio Department of Taxation
General Business Questions (888) 405-4039
Commercial Activity Tax (CAT) (888) 722-8829
Order Forms (800) 282-1782
www.tax.ohio.gov