

STARTING A BUSINESS IN GALLATIN, TN

STEP 1

Register for and attend “How to Start a Small Business” course at the TSBDC at VSCC and write a business plan, investigate business financing and marketing, decide on a name and business structure. www.tsbdc.org or (615-230-4780).

STEP 2

PERMITS

Check with Gallatin Codes & Planning (615-451-5968) to make sure your business is a permitted use in your chosen location. You may need a *Change of Use Permit*. Any remodeling or renovations may require a *Building Permit*.

STEP 3

EMPLOYER IDENTIFICATION NUMBERS

A Federal Employer ID Number (FEIN) or Federal Tax ID Number (TIN) is necessary for most business purposes, such as opening a bank account, obtaining a business license, and filing tax returns.

Get a FEIN immediately by calling the Business & Specialty Tax Line at 800- 829-4933 or by applying online at www.irs.gov/business/index.html. Click on *Employer ID Numbers*. There is no cost.

A Tennessee Employer ID Number (EIN) is necessary if you employ 1 or more persons during 20 calendar weeks in a calendar year, pay \$1,500 in gross wages during a calendar quarter, and are liable under the Federal Unemployment Tax Act. You must have this to pay State Unemployment Tax.

Get a TN EIN online at the TN Department of Labor & Workforce Development www.tn.gov/labor-wfd/Employers/forms/LB0441Rev04.7.11.pdf or call the Knoxville office at 865-594-6380. There is no cost.

Learn all about Tennessee’s State Unemployment Tax at www.tn.gov/labor-wfd/Employers/forms/emphand00.pdf

STEP 4

BUSINESS LICENSES

You will need to obtain Business Licenses from both the City of Gallatin and Sumner County.

Download a City of Gallatin Business License application at www.gallatinonthemove.com/download/recorder/ or call 615-451-5983 to have it mailed to you, or pick one up at room 111 in Gallatin City Hall. There is a \$15 fee for the first license.

Apply and pay online for a Sumner County Business License or download the form at www.sumnertags.com, or pick up an application at room 105 in the County Building, 355 North Belvedere Drive. There is a \$15 fee for the first license.

If your Business operations in any way involve the purchase, processing or sale of food items, or the cutting, styling or care of hair, a permit may be required by the County Health Department (615-206-1100).

STARTING A BUSINESS IN GALLATIN, TN (cont'd)

STEP 5

SALES AND USE TAXES

State and local Sales Tax is imposed on all retail sales and taxable services. Use Tax is applied when merchandise is purchased outside of Tennessee and imported into the state for use. To determine if this tax applies to your business, call the TN Department of Revenue at (615) 253-0752. You can register your business online at www.tn.gov/revenue/onlinefiling/onlineregister.htm

After registering your business, you can use a Sales Tax Exemption Certificate to purchase items for resale without paying sales tax. Contact the TN Department of Revenue at 865-594-6100 or download this Tax Exempt Form: <http://tennessee.gov/revenue/forms/sales/f1300701.pdf>

STEP 6

BUSINESS TAXES

Get Business Tax info for new businesses at www.tn.gov/revenue/business/startingnewbus.htm

Most businesses, other than general partnerships and sole proprietors must pay Tennessee Excise and Franchise taxes. Information is available online at www.tn.gov/revenue/tntaxes/fae.htm, or contact the TN Department of Revenue at 615-360-0423.

Sumner County Personal Property Tax must be paid on a business's tangible personal property located within Sumner County. Information is available from the County Assessor's office—615-452-2412.

STEP 7

IF YOU HIRE EMPLOYEES

If you hire any employees, you will be responsible for making periodic payments and/or filing reports such as payroll taxes and other mandatory deductions.

See Publication 15, *Employers' Tax Guide*, available online at www.irs.gov/pub/irs-pdf/p15.pdf

Information about Federal Employment Taxes and your responsibilities as an employer can be found at www.irs.gov/businesses/small/index.html

Information on Federal Unemployment Tax (FUTA) can be found in Publication 940 at www.irs.gov/businesses/small/article/0,,id=172179,00.html

State of Tennessee Unemployment Tax (SUTA) is paid on the first \$9,000 of each employee's wages. To find out if you are liable for SUTA and apply for an account, contact the TN Dept of Labor & Workforce Development, Employer Services at 615-741-2486.

If you employ 5 or more employees, you must also provide Workmen's Compensation Insurance, which is available through private insurance carriers. The program is administered through the TN Department of Labor & Workforce Development (615-532-4812).