

FAQ-21

What Papers Does Indiana Require a New Small Business to File?

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Many aspects of doing business in Indiana are regulated by the state government. Indiana has more than 400 different licenses, permits, and other permissions that may be required to engage in certain business activities.

Some forms must be filed by all businesses. Other recording and reporting requirements are based on the nature and amount of business activity. The business owner must determine whether his or her business meets the filing requirements. This FAQ provides a brief synopsis of the types of filings that may be required and points readers to additional resources that will help them determine what they must file for their businesses.

Business Structure Registration

How a business owner chooses to organize his or her business will determine what must be done to officially “form” the entity, how taxes are paid, and other details that will affect its day-to-day operation.

If the business owner has chosen to organize a corporation, limited liability company (LLC), limited liability partnership (LLP), or limited partnership, he or she will need to file organizational documents with the Indiana Secretary of State’s office, Department of Corporations, or similar office.

If the business owner has chosen to start a general partnership or a sole proprietorship, then he or she may not have any organizational documents to file with the Secretary of State’s office. However, if he or she is doing business under a business name, that name should be registered with the county recorder’s office.

If the business owner shares ownership or seeks funding by selling his or her own securities, then he or she will need to determine whether the new business will be subject to state and federal security laws.

Professions and Products Licensing and Permitting

Traditional professions such as law, medicine, accounting, teaching, architecture, and engineering require licenses. States may also license other trades, from auto mechanics and barbers to real estate agents and accountants. Licenses may be required of either the business or the individual. For some activities, business owners will have to show evidence of training and/or experience in the field, and/or pass a written exam. For other activities, an application form and fee will be all that is required.

The state may also require a license if the business owner makes or sells certain products, including liquor, food, lottery tickets, gasoline, or firearms. Selected licensing and permit requirements are available at <www.in.gov/ai/licensing/>.

Tax Registration and Payment

Register to Collect Taxes. Any business that sells tangible products is required to collect sales tax. If the business is going to engage in retail sales or have employees, the business owner will need to register to collect state sales and payroll taxes. These types of taxes are collected from customers or withheld from employees' wages and then paid to the appropriate agencies. Registration is needed even if the business will be selling goods that are exempt from Indiana's sales tax.

In Indiana, a business owner can obtain a state taxpayer ID number by filing the Indiana Business Tax Application, form BT-1. With it, he or she may register to collect the following taxes, among others:

- Food and Beverage Tax (applies to the sales of food and beverages in counties with this tax),
- County Innkeepers Tax (applies to the rental or leasing of hotel/motel rooms or accommodations for periods of less than thirty (30) days),
- Motor Vehicle Rental Excise Tax and County Supplemental MVR Tax (for organizations engaged in renting or leasing of motor vehicles),
- Sales Tax (the sales tax applies whenever selling activities are conducted in Indiana; whenever a business location, warehouse, distribution center exists; or whenever employees solicit or take orders for products in Indiana (this includes wholesalers)), and
- Withholding Tax (for withholding state income taxes from employees' pay).

The BT-1 can be submitted online at <<http://secure.in.gov/apps/dor/bt1/>>

or at

Indiana Department of Revenue, Indianapolis Downtown (Main Office)
Indiana Government Center North, Rm. N105
100 N. Senate Avenue
Indianapolis, IN 46204
Phone: (317) 232-2240
Internet: <www.IN.gov/dor>

Establish a State Employment Insurance Account. Business owners must pay SUTA (State Unemployment Tax Act) taxes if liable. SUTA taxes are paid by establishing a state employment insurance account (file *A Report to Determine Status Form 2837*) and then filing quarterly payments (submit *Form UC-1, Quarterly Contribution Report* and *Form UC-5A, Quarterly Payroll Report*).

Pay Income Taxes. Business owners must pay corporate or individual income taxes.

Pay Property Taxes. Business owners must also pay property taxes, imposed at the local level.

Environmental Permitting

The business owner may need a special permit if the business's activities affect air emissions or water quality or have to do with waste handling, dredging, pipelines, wetlands, and land development. Information about the regulatory requirements applicable to these types of activities is available from the agency below.

Indiana Department of Environmental Management
100 N. Senate Ave.
P.O. Box 6015
Indianapolis, IN 46206-6015
Phone: (317) 232-8603 or 1-800-451-6027
Internet: www.IN.gov/idem

Worker's Compensation

Many Indiana business owners must obtain worker's compensation from a private insurance carrier. Worker's compensation provides insurance coverage that pays medical and cash benefits for work-related injuries or illnesses that either temporarily or permanently limit employees' ability to work. This does not require submitting information to the state. In Indiana, farm employers may volunteer to participate in worker's compensation but are not required to do so.

Other Regulations

The following regulations may not require submitting information to the state, but do require compliance on the business owner's part. They may not be applicable to all businesses. It is up to the business owner to discover what rules will apply in his or her situation.

Comply with Labor Laws. Contact the Indiana Department of Labor at 317-232-2655 or www.IN.gov/labor.

Indiana Occupational Safety and Health Act (IOSHA). There are general industry standards that apply to any employer. Some specific industries have their own standards as well. Contact 317-232-2693.

Child Labor Laws. The Indiana Department of Labor's Bureau of Child Labor enforces the Indiana child labor laws. Any minor between ages 14 and 17 years must obtain an Employment Certificate before beginning employment. Employment Certificates are issued by the school corporation the minor attends. For more information call 317-232-2676 or 888-333-6967.

Minimum Wage. The Employment Standards Division administers the Indiana Minimum Wage Law, which applies to employers not subject to the federal Fair Labor Standards Act. Indiana's minimum wage is \$5.15 per hour as of March 1, 1999. For more information call 317-232-2673.

Report New Hires. Report all new and rehired employees within 20 days of hire to the Indiana New Hire Reporting Center (<www.in-newhire.com>, 866-879-0198, or 317-612-3028).

Display Required Posters. Many federal and state laws require business owners to display certain posters in public spaces on the business premises. Posters, if required, may include minimum wage (U.S. Department of Labor, Wage and Hour

Division, voice mail requests go to 317-687-3289), equal employment opportunity (Equal Employment Opportunity Commission, 317-226-7212 or 800-669-4000), occupational safety and health (Indiana Department of Labor, IOSHA Compliance Division 317-232-2694), child labor (Indiana Department of Labor, Bureau of Child Labor 317-232-2675 or 888-833-6967), unemployment compensation (Indiana Department of Workforce Development, 317-232-6702 (Marion County) or 800-437-9136), and worker's compensation (Worker's Compensation Board, 317-232-7101, 800-824-2667).

Keep Records. Keep records to document compliance with various regulatory requirements. Many records must be retained for a minimum time period in order to be in compliance with the law.

Resources for State Filing Requirements

Indiana's State Information Center has compiled detailed step-by-step information for new businesses in the form of the Business Owner's Guide to State Government. It is available at <www.state.in.us/sic/owners/>.

Resources	Sources
Indiana State Information Center. A cooperative effort of all state agencies, providing access to Indiana State Government. Counselors are available from 7 a.m. to 5 p.m., Monday through Friday, to answer general questions regarding state programs, services and requirements, and to direct callers to the correct office for assistance with more specific needs.	State Information Center 402 West Washington Street, Room W160 Indianapolis, IN 46204 317-233-0800, 800-457-8283, TDD use RELAY INDIANA, 800-743-3333 www.IN.gov/sic
<i>Licensing, Regulatory and Tax Requirements for Indiana Businesses: A Checklist for New Businesses (EC-733).</i> Purdue Extension.	www.ces.purdue.edu/extmedia/EC/EC-733.pdf
<i>Environmental Laws and Regulations: Indiana Agricultural Handbook</i> , Indiana Farm Bureau. A resource summarizing rules and regulations applying to farmers (both state and federal), such as fence law, plugging wells, and outdoor burning.	Available at Purdue Extension county offices
<i>Indiana Agricultural and Horticultural Employer Checklist.</i> Mid American Ag and Hort Services, Inc. A checklist for employers covering state and federal laws and regulations associated with each step of the employment process.	www.midamservices.org (click on "Quick Ref" and "Checklists")

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