



B R A Z O S V A L L E Y
SMALL BUSINESS
DEVELOPMENT CENTER

Getting Started: Information You Need To Start Your Business

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INTRODUCTION

This handout serves as a reference guide for new and expanding businesses in Texas by providing permit and regulatory information.

Depending upon the type of business enterprise under consideration, there may be specific regulatory requirements. It is necessary to inquire about regulatory requirements at the local, county, state, and federal levels. A company's activities or products may also be regulated by a particular agency, although an actual permit or license is not required.

The Brazos Valley Small Business Development is not responsible for a business' failure to secure a required permit based upon the absence or inaccurate inclusion of any information in this handbook. Persons interested in operating a business enterprise in Texas should contact federal, state, and local agencies to ensure that all legal requirements are satisfied before operations are begun.

Depending on the type of business enterprise you are considering opening, there may be specific regulatory requirements. For assistance in determining these requirements, please call the Texas Department of Economic Development Business Information and Referral at (800) 888-0511.

The Brazos Valley Small Business Development Center (SBDC) provides businesses with one-on-one consulting and information assistance to foster economic growth in the community. SBDC services can help you start your own business or manage your existing business. The SBDC also provides low-cost workshops and seminars that teach you practical, hands-on skills and techniques for managing a business. For more information, call the Brazos Valley SBDC at (979) 260-5222 or visit our website at <http://www.bvsbdc.org>.

Getting Started

In business, there are no guarantees. There is simply no way to eliminate all the risks associated with starting a small business - but you can improve your chances of success with good planning, preparation, and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Success in business is never automatic. It isn't strictly based on luck - although a little never hurts. It depends primarily on the owner's foresight and organization. Even then, of course, there are no guarantees.

Starting a small business is always risky, and the chance of success is slim. According to the U.S. Small Business Administration, roughly 50% of small businesses fail within the first five years. These figures aren't meant to scare you, but to prepare you for the rocky path ahead. Underestimating the difficulty of starting a business is one of the biggest obstacles entrepreneurs face. However, success can be yours if you are patient, willing to work hard, and take all the necessary steps.

Starting a business requires you to complete a number of steps and make some key decisions. Though part of your overall plan, you'll need to select a location, decide on a business structure, and obtain the necessary licenses and permits. In addition, determining which financing options will meet your short-term needs and long-term goals is crucial. Within this section, we'll provide information on how to get started.

Guide to Starting a Business

The basic steps to starting a business are discussed in greater detail in the following pages. However, new business owners should always seek the guidance of a professional tax consultant, accountant, and/or attorney to verify all legal requirements are met before operating a business.

Step 1: Business Structure and Name

Naming Your Business

The first step in starting a business is to determine the basic legal structure of the business, and to properly record the business name. This step is important when starting a business, since financial implications vary depending on which legal structure is selected. These range from corporation responsibilities for annual franchise tax fees to personal liability for business dealings as a sole proprietorship. The business name selected is the identifying and marketing component of the business. It should be given much thought and consideration.

The name you choose for your business is an important step you will take as a business owner. Many entrepreneurs underestimate the significance of naming their businesses. The business name selected is the identifying and marketing component of the business. It should be given much thought and consideration. A professional tax consultant, accountant, and/or attorney should always be consulted before determining legal structure and business name. In choosing a name, you may want to consider the following tips.

- Select a name that is easy to understand, spell, pronounce, and remember.
- Make sure it is a name that can be easily located in a telephone directory.
- Ensure that it portrays the image you want for your business. For example, if quick turnaround and quality service are part of your marketing strategy, then choose identifiers that will convey these aspects.
- Stay away from individual letters or acronyms that may confuse the potential customer trying to locate your business in the telephone directory.
- Avoid unusual spellings that may cause your customer difficulty in finding your business name or listing.

In selecting a corporate name:

- Corporate name must meet specific requirements outlined by state law.
- The name should not be misleading to the public.
- It must be distinguishable from other corporate names
- It must contain either incorporated, corporations, or an abbreviation thereof.

Selecting a Business Structure

The decision regarding business structure is a decision that a person should make, in consultation with an attorney and accountant, and taking into consideration issues regarding tax, liability, management, continuity, transferability of ownership interests, and formality of operation.

Generally, businesses are created and operated in one of the following forms:

- **Sole proprietorship:** The most common and the simplest form of business is the sole proprietorship. In a sole proprietorship, a single individual engages in a business activity without necessity of formal organization. If the business is conducted under an assumed name (a name other than the surname of the individual), then an assumed name certificate (commonly referred to as a DBA) should be filed with the office of the county clerk in the county where a business premise is maintained. If no business premise is maintained, then an assumed name certificate should be filed in all counties where business is conducted under the assumed name.
- **General partnership:** A general partnership is created when two or more persons associate to carry on a business for profit. A partnership generally operates in accordance with a partnership agreement, but there is no requirement that the agreement be in writing and no state-filing requirement. If the business of the partnership is conducted under an assumed name (a name that does not include the surname of all of the partners), then an assumed name certificate (commonly referred to as a DBA) should be filed with the office of the county clerk in the county where a business premise is maintained. If no business premise is maintained, then an assumed name certificate should be filed in all counties where business is conducted under the assumed name.
- **Corporation:** A Texas corporation is created by filing a certificate of formation with the Texas Secretary of State. The Secretary of State provides a form that meets minimum state law requirements. Online filing of a certificate of formation is provided through SOSDirect.

A corporation is a legal person with the characteristics of limited liability, centralization of management, perpetual duration, and ease of transferability of ownership interests. The owners of a corporation are called “shareholders.” The persons who manage the business and affairs of a corporation are called “directors.” However, state corporate law does provide for shareholders to enter into shareholders’ agreements to eliminate the directors and provide for shareholder management. Choosing the best management structure for your corporation is a decision you make with the advice of an attorney.

An “S” corporation is not a matter of state corporate law but rather a federal tax election. A for-profit corporation elects to be taxed as an “S” corporation by filing an election with the Internal Revenue Service. Please contact the [IRS](#) or

competent tax counsel regarding the decision to be taxed as an “S” corporation and the requirements for filing the election.

Limited Liability Company: A Texas limited liability company is created by filing a certificate of formation with the Texas Secretary of State. The Secretary of State provides a form that meets minimum state law requirements. Online filing of a certificate of formation is provided through SOSDirect.

The limited liability company (LLC) is not a partnership or a corporation but rather is a distinct type of entity that has the powers of both a corporation and a partnership. Depending on how the LLC is structured, it may be likened to a general partnership with limited liability, or to a limited partnership where all the owners are free to participate in management and all have limited liability, or to an “S” corporation without the ownership and tax restrictions imposed by the Internal Revenue Code. Unlike the partnership, where the key element is the individual, the essence of the limited liability company is the entity, requiring for its creation more formal requirements.

The owners of an LLC are called “members.” A member can be an individual, partnership, corporation, trust, and any other legal or commercial entity. Generally, the liability of the members is limited to their investment and they may enjoy the pass-through tax treatment afforded to partners in a partnership. As a result of federal tax classification rules, an LLC can achieve both structural flexibility and favorable tax treatment. Nevertheless, persons contemplating forming an LLC are well advised to consult competent legal counsel.

A limited liability company can be managed by managers or by its members. The management structure must be stated in the certificate of formation. Management structure is a determination that is made by the LLC and its members.

Limited Partnership: A Texas limited partnership is a partnership formed by two or more persons and having one or more general partners and one or more limited partners. The limited partnership operates in accordance with a partnership agreement, written or oral, of the partners as to the affairs of the limited partnership and the conduct of its business. While the partnership agreement is not filed for public record, the limited partnership must file a certificate of formation with the Texas Secretary of State. The Secretary of State provides a form that meets minimum state law requirements. Online filing of the certificate of formation is provided through SOSDirect.

- **Limited Liability Partnership:** In order to limit the liability of its general partners, a general or limited partnership may opt to register as a limited liability partnership. The Secretary of State provides a form for registration as a limited liability partnership. Online filing of the registration is provided through SOSDirect.

The information on this page should not be considered a substitute for the advice and services of an attorney and tax specialist in deciding on the business structure. The Texas Secretary of State’s office cannot give you advice about legal structure.

Step 2: Registering the Business Name

Once the legal structure of the business has been determined, and if a separate business name will be used, the business name must be registered with the county clerk's office and/or the Secretary of State.

It is very important to do a thorough search when considering a business name. If a corporation and an unincorporated company have very similar names, neither automatically has the right to the name. If both parties have properly filed the Assumed Name Certificate, the courts will most likely have to decide this matter. Taking the time necessary to conduct the name research up front will help avoid legal costs after the business is opened and operating.

Local Registration (Assumed Name Certificate)

If the business will operate as a sole proprietorship or a general partnership, an Assumed Name Certificate or d.b.a. (doing business as) for each name (or deviation of that name) the business will use must be on file with the county clerk in each county where a business premise will be maintained. If no business premise will be maintained, it should be filed in each county where business will be conducted.

If the business will operate as a corporation, limited partnership, or limited liability company, and the business will be identified by a name other than the name on file with the Secretary of State, an Assumed Name Certificate must be filed with the Secretary of State and each county in which the business will have a registered or principal office.

Neither the filing of an Assumed Name Certificate nor the reservation or registration of a company name imparts any real protection to the party filing the certificate. It is merely a formal process that informs the general public of the registered agent for a business and where official contact with the business can be made.

Filing the Assumed Name Certificate

Each county clerk office may use a different form; however, the information requested should be the same. Be prepared to provide the business name, mailing address, city, state, zip, expected period of operation, business type, and owner information.

Period of operation is the period of time the business will use the name. Ten years is the maximum length of time an assumed name filing is valid. However, if the name will be used for a period of less than ten years, indicate this on the form. Note that names must also be renewed every ten years.

Business type refers to the legal structure of the business. Indicate whether the business will operate as a corporation, partnership, sole proprietorship, etc. Owner information is the name(s) of the owner(s), personal address(es), and signature(s). All owners' signatures must be notarized. This service is sometimes offered at the county clerk's office. The form cannot be filed until all owners have signed it and all signatures have been notarized.

The following information will be helpful in filing the Assumed Name Certificate in the county the business will operate. First, write down the name of the business you will be considering. Pay close attention to capitalization, spacing, punctuation, etc. Consider this carefully as this name will identify the business to the public.

Next, search the county records for that exact business name in the assumed name books or computer. An assumed name filing is valid for ten years, so search records for the last ten years to verify that the name is

available. One book will not necessarily encompass one year of filings, so check the front of the book for dates. Some records are computerized; however, a computerized index may not contain ten years of filing history. Use the computer for the period it covers, and then use the books for any of the remaining ten years. If the business name has been used, look in the margin to see if it has been abandoned. If the name has been abandoned, it can legally be used again. Many county clerk offices will provide a name search service for a nominal fee. The whole search process will often be taken care of through the mail. Please contact the local county clerk for verification of their process.

Finally, if the company name is available, fill out the assumed name form and have it notarized. Then file it with the county clerk's office. The county clerk will keep the original Assumed Name Certificate, so be sure to request several certified copies (at least one for the bank and one for your business records). For filing fee information and accepted form of payment, contact the local county clerk's office. Most county clerk offices accept cash, certified checks, or money orders. If processing via mail, send the forms by certified mail with a return receipt requested to verify receipt by the county clerk.

Brazos County Clerk
300 E 26th Street, Ste 120
Bryan, TX 77803
979-361-4128

Burleson County Clerk
100 W. Buck, Ste 203
Caldwell, TX 77836
979-567-2329

Robertson County
PO Box 1029
Franklin, TX 77856
979-828-4130

Grimes County Clerk
PO Box 209
Anderson, TX 77830
936-872-2606

Milam County Clerk
PO Box 191
Cameron, TX 76520
254-697-7049

State Registration

All businesses operating in Texas as limited partnerships, registered limited liability partnerships, limited liability companies, corporations, professional corporations, nonprofit corporations, and professional associations **must** register with the Secretary of State.

Corporations, limited partnerships, and limited liability companies organized in other states or countries may transact business in Texas by obtaining a certificate of authority through the Secretary of State. The Secretary of State can provide forms for the certificate of authority. An out-of-state business may also consider the option of creating a Texas corporation, limited partnership, or limited liability company for transaction of business in Texas.

A name **may not** be used by more than one **corporation** in the state. The Secretary of State will perform a name search to verify that no other corporation, limited partnership, or limited liability company in Texas is using the exact name selected. To find out if a business name is available, call the Secretary of State and they will do an immediate computer search. The search is only for business names registered with the Secretary of State, and does not include business names registered only a county clerk.

If a corporation will transact business under names other than that stated in the articles of incorporation, the corporation must file an Assumed Name Certificate with the Secretary of State, and with the county clerk in which the principal office and registered office of the corporation are located. (See previous section for details on Assumed Name Certificates.)

For more information, contact the [Secretary of State, Corporations Section](#), 512-463-5555

Formation of Texas Entities FAQs:

<http://www.sos.state.tx.us/corp/formationfaqs.shtml>

The answers to our Frequently Asked Questions are provided for informational purposes and are not intended to provide legal advice or to substitute for the advice of an attorney. If you have specific legal questions, consult your attorney.

Public Information

The Secretary of State maintains a team of public information specialists to provide information from the agency's computer database. Business organization name availability or information about a specific entity may be obtained from the Secretary of State by:

Telephone to Secretary of State:	512-463-5555	No fee
Facsimile:	512-463-5709	\$5.00 per entity
E-Mail:	corpinfo@sos.state.tx.us	No fee
Mail:	Corporations Section Secretary of State P.O. Box 13697 Austin, Texas 78711-3697	\$5.00 per entity
Online Access:	SOSDirect http://www.sos.state.tx.us/corp/sosda/index.shtml	\$1.00 per search *

* The Secretary of State's computer database may be accessed over the Internet by registering as a user of Secretary of State [SOSDirect](http://www.sos.state.tx.us/corp/sosda/index.shtml).

Please note that business organization documents on file with the secretary of state are public record subject to public access and disclosure. When providing address information for persons named in business filings, use a business or post office box address rather than a residence address if privacy concerns are an issue.

Step 3: Employer Identification Numbers

An Employer Identification Number (EIN) is also known as a federal tax identification number, and is used to identify a business entity or nonprofit organization.

Generally, businesses and nonprofit organizations need an EIN.

The EIN is issued by the Internal Revenue Service. View the [IRS site for more information about applying for an EIN](http://www.irs.gov). www.irs.gov

Employer ID Numbers (EINs)

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN. You may apply for an EIN in various ways, and now you may [apply online at www.irs.gov](http://www.irs.gov). This is a free service offered by the Internal Revenue Service.

- [Do You Need an EIN?](#)
- [Do You Need a ^{New} EIN?](#)
- [How to Apply for an EIN](#)
- [Apply for an EIN Online](#)
- [How Long Will it Take to Get a Number?](#)
 - [Misplaced Your EIN?](#)
- [How EINs are Assigned and Valid EIN Prefixes](#)
- [Canceling an EIN – Closing Your Account](#)
- [Updating Incorrect Business Entity Information](#)
- [Change in Application for Employer Identification Number](#)

Apply for an EIN Online

Check out our Interview-style online EIN application. No need to file a Form SS-4! We ask you the questions and you give us the answers. The application includes embedded help topics and hyperlinked keywords and definitions so separate instructions aren't needed. After all validations are done you will get your EIN immediately upon completion. You can then download, save, and print your confirmation notice. It's fast, free, and user-friendly!

Change of Ownership or Structure

Generally, businesses need a **new** EIN when their ownership or structure has changed. Refer to "[Do You Need a New EIN?](#)" to determine if this applies to your business.

Step 4: Business Tax Responsibilities

The second step for starting a business is to determine the federal, state, and local tax obligations. The following sections briefly discuss each of these areas. It is strongly recommended that a professional tax advisor, accountant, and/or attorney be consulted before starting a business.

Federal Taxes

Information regarding federal income taxes, tax identification numbers, business tax credits, and employment tax regulations may be obtained by contacting the following agencies:

- **Income Taxes, Tax Identification Numbers, and Business Tax Credits**
Internal Revenue Service
825 East Rundberg Lane, Suite H-4
Austin, Texas 78753
800/829-1040 or 800/829-4059 (TDD)
Business Tax Kit and other publications 800/829-3676 or 800/829-4059 (TDD)

- **Employment Taxes**
[Social Security Administration](#)
 903 San Jacinto
 Austin, Texas 78701
 512/916-5404 or 800/772-1213

State Taxes

Business Taxes

The Comptroller of Public Accounts is charged with the administration and collection of state and local sales tax from businesses operating in Texas, and also collects any franchise taxes owed by Texas corporations. There is no state income tax in Texas. The Comptroller maintains [field offices](#) in most major Texas cities to provide assistance and aid in complying with tax regulations. For further information on these taxes, contact:

[Comptroller of Public Accounts](#)
 1713 Broadmoor
 Bryan, TX 77802
 979-776-5200

[Comptroller of Public Accounts](#)
 111 East 17th Street
 Austin, Texas 78711
 512/463-4600 or 800/252-5555

Employment Taxes

The Texas Workforce Commission collects all unemployment taxes for workers employed in Texas. For information regarding these taxes, to obtain a state employer's identification number, and for information on tax credits, contact:

[Texas Workforce Commission](#)
 3912 E. 29th Street
 Bryan, TX
 979-260-1107 or 800-939-6331

Tax Department
 101 East 15th Street
 Austin, Texas 78778
 New Employer Accounts/Status of Accounts 512/463-2731 or 800/832-9394
 Quarterly Reports 512/463-9182
 Rates 512/463-2758
 Unemployment Insurance Customer Service 512/463-2542
 Labor Market Information 512/491-4922
 Work Opportunity Tax Credit (WOTC) 512/463-2488 or 800/695-6879

Local Taxes

Business Taxes

If the business owns tangible personal property that is used to produce income, the property must be reported on a rendition form to the local county appraisal district, after January 1 and no later than March 31, each year.

Business owners must report all inventories, equipment, and machinery. For additional information, contact the local county appraisal district. See the government pages of your local telephone directory for telephone numbers.

Brazos County Appraisal District
979-774-4100

Tax Reference Table

The following information pertains to state and federal taxes. The [IRS Business Site](#) assist businesses structured as Corporations, International Business, Partnerships and Small Businesses Self-Employed. The site has vital links to other Texas government entities. The [IRS Employer ID Numbers](#) (EINs) sites assist in obtaining an EIN. The site provides information on changing Ownership and information on EIN for Health Transactions. Businesses may need a National Standard Employer Identifier (NSE) for electronic health transactions. Further assistance on Texas tax can be viewed on the [Texas State Comptroller](#) website which includes information on electronic filing and online assistance through the [STAR](#) system.

Step 5: Business Licenses and Permits

Please visit the Texas Online "Licenses, Permits and Registrations Database":

<http://www.texasonline.com/portal/tol/en/gov/9>

Bryan City Secretary
979-209-5002

College Station City Secretary
979-764-3541

Bryan Building Inspection Dept
979-209-5010

College Station Building Inspection Dept
979-764-3570

Bryan Planning & Zoning
979-209-5030

College Station Planning & Zoning
979-764-3570

Texas Alcohol & Beverage Commission
Bryan 979-260-8222
Austin 512-206-333

Texas Department of Health
Bryan 979-361-4450
Austin 512-458-7287 or 800-252-9152

Step 6: Business Employer Requirements

The final step in starting a business is determining the federal and state employer requirements. As an employer, you have labor, safety, and tax obligations. The information below is the labor, safety, access, and new hire reporting regulations administered by federal and state agencies.

Federal Requirements

Americans with Disabilities Act Requirements

- The Americans with Disabilities Act (ADA) provides protection for people with disabilities in the areas of employment, public services and transportation, public accommodation, and telecommunications. For more federal information on how the Americans with Disabilities Act will affect a business and for technical assistance with provisions applying to employment, contact:

[U.S. Equal Employment Opportunity Commission](#)

1801 L Street N W
Washington, D.C. 20507
800/669-4000 or 800/669-6820 (TDD)

- For technical assistance on the ADA standards for accessible design and other ADA provisions applying to businesses, nonprofit agencies, and state and local government services, contact:

[Office on the Americans with Disabilities Act: Civil Rights Division](#)

U.S. Department of Justice
P.O. Box 66738
Washington, DC 20035
800/514-0301 or 800/514-0383 (TDD)

- For specific information regarding the ADA requirements for telecommunications, contact:

[Federal Communications Commission](#)

1919 M Street N W
Washington, D.C. 20554
202/418-0600 or 202/418-7233 (TDD)

- For information regarding the ADA requirements for accessible design in new construction and alterations, contact:

[U.S. Architectural and Transportation Barriers Compliance Board](#)

1331 F Street N W, Suite 1000
Washington, DC 20004
800/872-2253 or 800/993-2822 (TDD)

- For information regarding the ADA requirements for transportation, contact:

[U.S. Department of Transportation](#)

400 Seventh Street SW
Washington, DC 20590
888/446-4511 or 800/877-8339 (TDD)

- For additional ADA information, contact:

[President's Committee on Employment of People with Disabilities](#)

1331 F Street, NW, Suite 300

Equal Employment Requirements

- Federal and state laws prohibit employment discrimination. The United States Equal Employment Opportunity Commission (EEOC) and the [Texas Workforce Commission, Human Rights Division](#) are charged with enforcing fair employment laws which prohibit discrimination on the basis of race, color, sex, religion, disability, age, or national origin. Current statutes cover all employment transactions. All employers with 15 or more employees engaged in an industry affecting commerce, employment agencies, and labor unions are prohibited from denying equal employment opportunities. Regardless of the number of individuals employed, a county, municipality, and any state agency or instrumentality including public institutes of education, are also prohibited from denying equal employment opportunities. The TWC, Human Rights Division will assist local governments in establishing human rights commissions and provide technical assistance and training to employers to facilitate compliance with laws prohibiting employment discrimination. The TWC, Human Rights Division has jurisdiction for investigating employment complaints in Texas. The EEOC promotes voluntary programs that allow employers and organizations to implement equal employment opportunity programs within their businesses. For information regarding federal equal employment requirements, contact:

U.S. Equal Employment Opportunity Commission

- Dallas District Office
207 South Houston, 3rd Floor
Dallas, Texas 75202
214/655-3355 or 214/655-3363 (TDD)
-
- El Paso District Office
Commons Building C, Suite 100
4171 North Mesa Street
El Paso, Texas 79902
915/534-6550 or 915/534-6545 (TDD)
-
- Houston District Office
1919 Smith Street, 7th Floor
Houston, Texas 77002
713/209-3320 or 713/209-3367 (TDD)
-
- San Antonio District Office
5410 Fredericksburg Road, Suite 200
Mockingbird Plaza, Plaza II
San Antonio, Texas 78229
210/229-4810 or 210/229-4858

Safety Requirements

- The Occupational Safety and Health Consultations (OSHCON) program is administered by the Texas Department of Insurance, Department of Workers Compensation. Free on-site safety and health inspections are available to alert the employer of possible federal Occupational Safety and Health

Administration (OSHA) violations. Employers with fewer than 150 employees, who take advantage of the free inspection and meet the federal requirements, will be exempted from a scheduled inspection for 12 months. For more information regarding state occupational safety and health requirements, contact:

OSHCN
Texas Department of Insurance
Division of Workers Compensation
7551 Metro Center Drive, Ste. 100
Austin, Texas 78744
512/804-4636

- For information regarding federal occupational safety requirements, contact:

[Occupational Safety and Health Administration \(OSHA\)](#)

U.S. Department of Labor, Regional Office
525 Griffin Street, Room 602
Dallas, Texas 75202
214/767-4731

Wage and Labor Requirements

- For information on federal minimum wage laws, overtime, and other questions regarding wages and hours, contact:

[U.S. Department of Labor](#)
Regional Wage and Hour Offices
Corpus Christi: 512/888-3520
Dallas: 214/767-6294
Houston: 713/339-5500
San Antonio: 210/229-4515

- For general information regarding federal labor laws, contact:

[U.S. Department of Labor](#)
Regional Office
525 Griffin Street, Suite 800
Dallas, Texas 75202
214/767-6895

State Requirements

Americans with Disabilities Act Requirements

- For information and technical assistance on the Americans with Disabilities Act, state disability policy information, disability statistics, and local disability resources, contact:

[Texas Governor's Committee on People With Disabilities](#)
P.O. Box 12428
Austin, Texas 78711
512/463-5739 or 512/463-5746 (TDD)

- The Texas Department of Licensing and Regulation reviews construction documents for the construction or substantial renovation, modification, or alteration of buildings or facilities defined as public or

commercial accommodations for architectural barriers. This review is mandated through the Americans with Disabilities Act. For additional information on architectural barriers, contact:

[Texas Department of Licensing and Regulation](#)

E.O. Thompson State Office Building
P.O. Box 12157
Austin, Texas 78711
512/463-3211 or 800/803-9202

Drug-Free Workplace

- Advice is available to Texas employers with 15 or more employees who maintain workers' compensation coverage. Employers must comply with certain drug-free workplace requirements, and are also subject to federal regulations. These federal regulations include the Drug-Free Workplace Act of 1988 and U.S. Department of Transportation regulations requiring drug and alcohol testing. For information, contact:

Texas Drug-Free Workplace Initiative
2525 Wallingwood, Bldg. 5
Austin, Texas 78746
512/328-1144 or 800/343-3822

Equal Employment Requirements

- See listing under Federal Requirements for general explanation. For information regarding state equal employment requirements, contact:

[Texas Workforce Commission, Human Rights Division](#)

101 East 15th Street
Austin, Texas 78778
512/463-3222

New Hire Program

- New Hire Reporting may be accomplished online. It is mandated by federal law under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and requires employers to report new hires and rehires within 20 days.

For more information about the State of Texas New Hire Program, how and when to report, visit [Office of the Attorney General's New Hire website](#) or contact the Texas Employer New Hire Reporting Operations Center at:

Phone: 1-888-TEX-HIRE (1-888-839-4473)
Fax: 1-800-732-5015

E-mail: employer.newhire@cs.oag.state.tx.us

Mail: Texas Employer New Hire Reporting
Operations Center
Post Office Box 149224
Austin, Texas 78714-9924

Plant Closings

- The Worker Adjustment and Retraining Notification Act (WARN), Public Law 100-379 (29 U.S.C. 2101 et seq.), requires certain employers to provide notice 60 days in advance of covered (employees subject to the Texas Unemployment Compensation Act) plant closings and covered mass layoffs. Notice must be made to either the affected workers or their representatives (e.g., a labor union), to the EDWAA Unit at TWC, and to the appropriate unit of local government. For more information or a copy of the Act, contact:

EDWAA Unit
[Texas Workforce Commission](#)
101 East 15th Street, Suite 104T
Austin, Texas 78778-0001
512/936-0361

Safety Requirements

- The Occupational Safety and Health Consultations (OSHCON) program is administered by the Texas Workers' Compensation Commission. Free on-site safety and health inspections are available to alert the employer of possible federal Occupational Safety and Health Administration (OSHA) violations. Employers with fewer than 150 employees, who take advantage of the free inspection and meet the federal requirements, will be exempted from a scheduled inspection for 12 months. For more information regarding state occupational safety and health requirements, contact:

OSHCON
[Texas Workers Compensation Commission](#)
4000 South IH 35
Southfield Building
Austin, Texas 78704
512/440-3745

Wage and Labor Requirements

- The Texas Workforce Commission is charged with investigating and notifying appropriate county and/or district attorneys regarding all labor law violations. The Labor Law Department is charged with the enforcement of state and federal labor laws as well as the prosecution of offenders of these laws. State statutes include the Pay Day and Child Labor laws. For additional information, contact:

Labor Law Department
[Texas Workforce Commission](#)
101 East 15th Street
Austin, Texas 78778
512/837-9559 or 800/832-9243

- The Texas Workforce Commission provides a general employer information package for employers. To obtain this package, contact:

Employer's Representative
[Texas Workforce Commission](#)
101 East 15th Street
Austin, Texas 78778
512/463-2826 or 800/832-9394

- For information relating to labor questions, please contact:

Labor's Representative
[Texas Workforce Commission](#)
101 East 15th Street
Austin, Texas 78778
512/463-2829 or 800/832-2829

- Standards for apprenticeship training programs in Texas follow guidelines set forth by the U.S. Department of Labor, Bureau of Apprenticeship and Training. Specific details on these programs may be obtained by contacting:

Bureau of Apprenticeship and Training
[U.S. Department of Labor](#)
525 Griffin Street, Suite 628
Dallas, Texas 75202
214/767-9263

Workers' Compensation Insurance

- The Texas Workers' Compensation Commission publishes a new law guide, a quarterly newsletter, and an information brochure for employers to help them become more familiar with the basic requirements for workers' compensation in Texas. To obtain these publications, contact:

[Texas Workers' Compensation Commission](#)
Southfield Building
4000 South IH 35
Austin, Texas 78704
512/448-7900

- For information on workers' compensation classifications groups, contact:

[Texas Department of Insurance](#)
333 Guadalupe
Austin, Texas 78701
512-322-3493

Labor Poster Requirements

The following is a list of federal and state labor posters required to be posted at a place of business. Please contact the agency indicated to request copies for posting.

- "Federal Minimum Wage" and "Employee Polygraph Protection Act"
[U.S. Department of Labor, Wage and Hour Division](#) 512/888-3520; 214/767-6294; 713/319-5500;
210/229-4515
- "Occupational Safety and Health Administration Notice"
[U.S. Department of Labor, Occupational Safety and Health Administration](#)
214/767-4731

- "Equal Employment Opportunity is the Law"
[U.S. Equal Employment Opportunity Commission](#)
214/655-3355; 713/209-3320; 210/229-4810
- "Texas Unemployment Compensation Act" and "Schedule of Paydays"
[Texas Workforce Commission](#)
512/463-2747
- "The Law in Texas" (Optional Poster)
Texas Workforce Commission, Human Rights Division
512/437-3450

The following table provides additional information concerning income, employment, and business taxes. The table outlines the tax requirements for each type of business entity. They also indicate which forms are required, the purpose of the taxes, and when and where to file the taxes and reports.

REFERENCE FOR FILING TAXES

TYPE OF BUSINESS ENTITY	FORMS REQUIRED	PURPOSE	WHEN TO FILE	WHERE TO FILE
INCOME TAXES				
Sole Proprietorship	Form 1040 Schedule C	Report taxable income: Schedule included in individual income tax return	15 th day of the 4 th month after the end of the fiscal year	Internal Revenue Service Austin, TX 73301
Partnership	Form 1065	Report taxable income: K-1 from the return to each partner to use for reporting on his or her individual tax return (information return only); any taxes due are paid individually by partner	15 th day of the fourth month after the end of the fiscal year	Internal Revenue Service Austin, TX 73301
Corporation	Form 1120	Report taxable income	15 th day of the fourth month after the end of the fiscal year	Internal Revenue Service Austin, TX 73301
S Corporation	Form 1120S	Report taxable income: K-1 from the return to each shareholder to use for reporting on his or her individual tax return (information return only); any taxes due are paid individually by shareholder	15 th day of the fourth month after the end of the fiscal year	Internal Revenue Service Austin, TX 73301
EMPLOYMENT TAXES				
Quarterly Tax Estimates: Sole Proprietorship Partnership	Form 1040 ES	May be required if not withheld through wage source during current tax year	Generally April 15, June 15, and Sept. 15 of current tax year and Jan. 15 of the following tax year	Internal Revenue Service PO Box 970001 St. Louis, MO 63197
Regular C Corporation	Federal Tax Deposit Coupon	Must estimate current earnings and pay quarterly	Quarterly, 15 th day of the 4 th , 6 th , 9 th , and 12 th month of the current fiscal year	No filing–Must deposit at authorized commercial bank or before 2 p.m.
Payroll Taxes–Federal, State, and Local: For all entities (sole proprietorship, corporation)	Form 940	Federal unemployment tax	Annually, January 31	Internal Revenue Service Austin, TX 73301
	Form 941	Social Security and withholding income tax	Quarterly, due one month	Internal Revenue Service

	Form W-2, W-3 Form W-4, I-9 Form TWC C-3, C-4 TWC Status Report	Withholding information statement Employee records State unemployment tax-payroll taxes are required if you have at least one employee	after the calendar quarter ends Employee's copy January 31 Federal copy last day of February Required to be on file Quarterly	Austin, TX 73301 To respective employee Social Security Admin. Albuquerque Data Operations Center Albuquerque, NM 87180 Texas Workforce Commission Cashier PO Box 1407 Austin, TX 78714
Payroll Taxes–Non-resident alien	Form 1042, 1042-S Statement to Payee (can use 1047-S)	Withholding for US Source Income of foreign persons Foreign person's US Source Income subject to withholding	Annually, March 15 of the year following Copy to payee by March 15	Internal Revenue Service Philadelphia, PA 19255 To recipient
Independent contractor and other non-employee payments: For all entities (sole proprietor, partnership, corporation)	Form 1099 Form 1096	Information returns—various payments to individuals of \$600 or more, including prizes, awards, and other business payments	Copy to recipient January 31 Federal copy last day of February	To recipient Internal Revenue Service Austin, TX 73301
BUSINESS TAXES				
Franchise Tax (corporations and limited liability companies)	Texas Corporation Franchise Tax Report	Tax on privilege to do business measured by taxable capital or taxable earned surplus appointed to the state	Generally May 15 each year after the beginning of regular annual period	Comptroller of Public Accounts Austin, TX 78744
Sales and Use Tax: State and local (sole proprietor, partnership, corporation)		Tax on sales of items collected from purchaser and remitted to the Comptroller	Usually monthly, due 20 th of month following sales month; some filled quarterly or annually	Comptroller of Public Accounts Austin, TX 78744
Business Property Taxes	Rendition Form	To report tangible personal property used to produce income	Between January 1 and March 31	Specific local county appraisal district