

# CHECKLIST FOR STARTING YOUR BUSINESS IN BROOMFIELD

*This checklist is provided by the Westminster Small Business Development Center (SBDC) located at Front Range Community College. For further information regarding the Center, please contact us at 303.460.1032, or on-line at [www.frontrange.edu/smallbusiness](http://www.frontrange.edu/smallbusiness).*

*This checklist is a quick reference for the City of Broomfield. For a comprehensive and detailed guide to starting a business in Colorado please see the **Colorado Business Resource Guide** that can be obtained on-line at [www.state.co.us/oed/guide](http://www.state.co.us/oed/guide), or through the Westminster SBDC.*

## **Is my business idea feasible?**

- √ Consider writing a business plan. The business plan tells the story of your business. A successful business plan focuses on several key areas such as management, marketing, operations, financial plans and supporting documents.
- √ Analyze your start-up costs and put together a financial plan. There are no government grants for starting a new business, but the U.S. Small Business Association (SBA) does offer a variety of guaranteed loan programs. The first step in obtaining a government guaranteed loan is to contact a commercial lender. Lenders and investors will want historical, current, and future financial documentation such as a cash budget, income statement, a listing of collateral, tax returns, profit and loss projections, cash flow analysis, and capital requirements.
- √ The Westminster SBDC offers business workshops and credit/non-credit classes. We are an excellent resource for shaping your business and financial plans.

## **What legal structure is best for my business?**

- √ There are several types of legal structures for business organizations. Among them are sole proprietorship, partnership, "C" Corporation, "S" Corporation and Limited Liability Company (LLC). Having a discussion with an attorney and tax advisor to determine advantages, disadvantages, tax impacts, and liability issues is a helpful step in the decision making process.
- √ Once you have decided on the legal structure and trade name for your business you will need to register with the State of Colorado and the City of Broomfield.
- √ The Colorado Department of Revenue has several business registration forms on-line. These forms are at [http://www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=busregforms](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=busregforms).
- √ For detailed information regarding state registration refer to the *Colorado Business Resource Guide*, or visit the State of Colorado website at [www.colorado.gov](http://www.colorado.gov) under the main category of Business.
- √ As a sole proprietor or partnership, state business registration can be obtained on-line at [http://www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=busregforms](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=busregforms).
- √ As an LLC, S-Corp or C-Corp, state business registration can be obtained on-line at <http://www.sos.state.co.us/pubs/business/>.
- √ All businesses, except sole proprietors with no employees, are required to have an IRS Federal Employer Identification Number (FEIN). As a sole proprietor, your social security number is your federal employer identification number. You can obtain your FEIN number by filing a completed Form SS-4. This form can be obtained from the IRS by calling 800-829-3676, or on-line at [www.irs.gov](http://www.irs.gov) under the Forms heading.

## **What taxes will apply to my business?** (see page 5)

- √ **Sales and Use Tax:** If you buy or sell goods, ship goods, or use merchandise or materials that you purchased tax free, you will be required to collect state and local sales tax and possibly pay state and local use taxes.
- √ **State:** The Colorado Department of Revenue provides free sales tax classes. To view a listing of where and when these classes are offered, visit [www.revenue.state.co.us/](http://www.revenue.state.co.us/). Click on Taxation, and then click tax classes. No reservations are necessary, but registration for the class begins at 8:45 a.m.
- √ **City Broomfield:** Free seminars reviewing sales and use tax returns are provided by the City and County of Broomfield. A seminar for building contractors and a class for retailers are held at the Broomfield Municipal Center, One DesCombes Drive in Broomfield. Classes are free, and registration can be by phone at 303-464-5811 or email at [salestax@broomfield.co.us](mailto:salestax@broomfield.co.us).
- √ Effective January 1, 2005 the total State of Colorado and County of Broomfield sales tax rate will be 8.25%, except for sales made in Flatiron Improvement District. For all areas, the state tax is 2.9%, City and County tax rate is 4.15%, and a RTD/CD/FD tax of 1.2% applies, totaling 8.25%. For the Flatiron Improvement District, you must add a .2% tax, making the total in that area of 8.45%.
- √ Information about taxes and filing for Broomfield City and County can be found on the web at <http://www.ci.broomfield.co.us/finances/salestax>.
- √ There is no local payroll, or occupational tax in Broomfield.
- √ There is no Use Tax except for Construction and Building Materials and Registered Motor Vehicles. The estimated Use Tax on Construction and Building materials is paid to the Building Department when purchasing a Building Permit. Call 303-438-6249 for more information.
- √ Registered Motor Vehicle Use Tax is collected when you title the vehicle with the County Department of Motor Vehicles. Call 303-464-5888 for more information.

**If I have employees within my business, what are my obligations as an employer?**

As an employer, you have responsibility for compliance with several important laws and regulations.

Below are some of the most important. See page 6 of this guide for more detailed information. The *Colorado Business Resource Guide* is also an excellent resource.

- √ **Labor Regulations:** Identify which federal and state regulations apply to your business. Call the Colorado Department of Labor and Employment Labor Standards Office for the lists of state and federal laws affecting employment and posting requirements at 303-318-8441, or on-line at [www.coworkforce.com/lab](http://www.coworkforce.com/lab).
- √ **Withholdings and Deposits:** Federal and state income tax, social security (FICA), federal and state unemployment tax (FUTA and SUTA). (see page 5)
- √ **Workers' Compensation Insurance:** Contact an insurance agent or the Division of Workers' Compensation within the Colorado Department of Labor and Employment at 303-318-8700 or 888-390-7936, or on-line at [www.coworkforce.com/dwc](http://www.coworkforce.com/dwc).
- √ **Unemployment Insurance:** Contact the Unemployment Insurance Division of the Colorado Department of Labor and Employment at 303-318-9000, or on-line at [www.coworkforce.com/uit](http://www.coworkforce.com/uit).
- √ **The Occupational Safety and Health Administration (OSHA):** Safety and health standards fall into four major categories: general industry, maritime, construction and agriculture. Standards are published in the Code of Federal Regulations (CFR). The Broomfield Public Library carries this publication, and OSHA can be contacted directly at 303-844-1600. The office is located at 1999 Broadway, Suite 1690 in Denver.
- √ See page 6 of this guide for more detailed information.

**What are the local permits and licenses that are required for my industry?**

- √ Local Permits and Licenses may be obtained through the Broomfield’s City Clerk’s Office at 303-438-6332 or on-line at <http://www.ci.broomfield.co.us/code/>.
- √ You must apply for a Sales Tax License. There is no charge for this license. Your license application will be reviewed by the Zoning Department before the license is issued. You can download the application from <http://www.ci.broomfield.co.us/code/>. After the application is reviewed and accepted, you will receive an instructional packet describing what to do next. Applications can be faxed to 720-294-9825 or mailed to the City and County of Broomfield, One DesCombes Drive, Broomfield, CO 80020.
- √ Broomfield does not require a separate Business License; however, liquor licenses are processed through the City Clerk Department (303-438-6332).
- √ Food establishments must also acquire a Health Department inspection and license prior to opening.
- √ The City and County of Broomfield does not require that a “service only” business get a Sales Tax License. Please contact Planning and Zoning to determine if your business location is zoned properly for your service business. (303-438-6284).

**What about local zoning and sign regulations?**

When identifying your business location, contact the City and County of Broomfield Planning at 303-438-6284, fax 303-438-6297.

- √ The Broomfield general sign regulations are listed within Chapter 17-44 of the Broomfield Planning Code, [http://www.ci.broomfield.co.us/code/\\_data/title17\\_44\\_Sign\\_code/17\\_44\\_06](http://www.ci.broomfield.co.us/code/_data/title17_44_Sign_code/17_44_06).
- √ Below is a listing of prohibited signs.
  - Any sign that causes visual obstruction or interference with motor vehicle traffic or a traffic-control device, including any sign that obstructs clear vision in any direction from any street intersection or driveway.
  - Any sign employing a lighting or control mechanism which causes radio, radar or television interference.
  - Any sign that obstructs any fire escape, window, door, or opening used or required as a means access, or fire fighting purposes, or interferes with any openings required for light or ventilation.
  - Animated signs, except for time and temperature devices.
  - Roof signs.
  - Signs painted on or attached to fences.
  - Strings of light bulbs used in connection with commercial premises for commercial purposes, other than holiday decorations.
  - Signs that are inoperable, unsafe, or dilapidated.
  - Off-premises signs that advertise a use not located on the same lot or parcel as the sign.
- √ No sign shall be displayed in the city limits until the city has issued a permit for it unless exempt from a permit according to code.

**How can I get connected to the local business community?**

- √ The Broomfield business community is connected through the Broomfield Chamber of Commerce, located at 350 Interlocken Blvd, Suite 250 in Broomfield. Call 303-466-1775 or find them on the web at <http://broomfieldchamber.org>.
- √ The Broomfield Economic Development Corporation, [www.broomfieldbusiness.com](http://www.broomfieldbusiness.com), can be reached by phone at 303-469-7645. BEDC offers assistance and support to businesses in Broomfield.

**What are some of the business resources provided by the City and County of Broomfield?**

- √ The City and County of Broomfield web site is <http://www.ci.broomfield.co.us>. The City Clerk's Office can be reached by calling 303-438-6332.
- √ The City of Broomfield Planning Department is a division within the Department of Community Development. Call 303-438-6284 with questions.
- √ The City's Sales Tax Administration registers and licenses vendors, collects sales taxes, processes tax returns, reviews licenses, and performs audits. Their phone number is 303-464-5811 and their web address is <http://www.ci.broomfield.co.us/finances/salestax>.
- √ The City and County of Broomfield Public Library, called the Mamie Doud Eisenhower Library, is located at 3 Community Park Road in Broomfield. The Library has electronic reference sources, legal information, consumer product information, census and demographic information, as well as basic business directories and rating guides. For further information contact the General Information Line at 303-464-2300, or view resources on-line at <http://ci.broomfield.co.us/library/index.shtml>.
- √ The Broomfield Workforce Center works with a consortium of local nonprofit organizations, county agencies, state departments, businesses, and economic development associations and employees. They are located at 6650 West 120<sup>th</sup> Avenue in Broomfield, and the phone number is 303-464-5855.  
Find them on the web at [workforcecenter@ci.broomfield.co.us](mailto:workforcecenter@ci.broomfield.co.us).



## CALENDAR OF FEDERAL TAXES FOR WHICH YOU MAY BE LIABLE

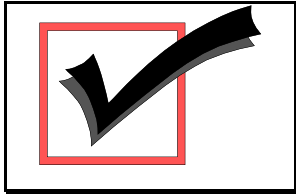
DATE	DESCRIPTION	SOLE PROPRIETOR	PARTNERSHIP and LIMITED LIABILITY CO.	CORPORATION	S CORPORATION
		Forms	Forms	Forms	Forms
Jan. 15	4th Quarter Estimated Income Tax	1040ES	1040ES	1120W	1040ES
* Jan. 31	4th Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Jan. 31	Annual Federal Unemployment (FUTA) tax reporting	940EZ or 940	940EZ or 940	940EZ or 940	940EZ or 940
*Jan. 31	4th Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits
*Jan. 31	Annual report of wages, Soc Sec (FICA) tax, fed'l withholding of income tax	W2 to employee	W2 to employee	W2 to employee	W2 to employee
Jan. 31	Annual report regarding non-employees and transactions with other persons	1099 to recipients	1099 to recipients	1099 to recipients	1099 to recipients
*Feb. 15	Review W-4's for employees; send any new or changed W-4's to IRS	W-4	W-4	W-4	W-4
Feb. 28	Annual report regarding non-employees and transactions with other persons	1099 to IRS	1099 to IRS	1099 to IRS	1099 to IRS
*Feb. 28	Annual report of wages, Soc Sec (FICA) tax, fed'l withholding of income tax	W2, W3 to Soc. Sec.	W2, W3 to Soc. Sec.	W2, W3 to Soc. Sec.	W2, W3 to Soc. Sec.
Mar. 15	Annual Income Tax filing for previous year			1120 or 1120A	1120S
Apr. 15	Annual Income Tax filing for previous year (Personal Tax Return)	Sch. C, Form 1040	Sch. C, Form 1040	Form 1040	Form 1040
Apr. 15	Annual Self-Employment Tax for previous year	Sch. SE, Form 1040	Sch. SE, Form 1040		
Apr. 15	1st Qtr Estimated Income Tax	1040ES	1040ES	1120W	1040ES
Apr. 15	Annual Information Filing of Income		1065		
*Apr. 30	1st Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Apr. 30	1st Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits
Jun. 15	2nd Qtr Estimated Income Tax	1040ES	1040ES	1120W	1040ES
*Jul. 31	2nd Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Jul. 31	2nd Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits
Sep. 15	3rd Qtr Estimated Income Tax	1040ES	1040ES	1120W	1040ES
*Oct. 31	3rd Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Oct. 31	3rd Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits

\* Applies only if you have employees. Also note: Employers who report monthly to the IRS must make federal tax withholding deposits by the **15th of every month**.



- If your Tax Year (Fiscal Year) is not January 1 through December 31 (Calendar Year), call the IRS at 1-800-829-1040 for tax due dates.
- A Limited Liability Company is treated as a Partnership for tax purposes.





# EMPLOYER RESPONSIBILITIES

As an employer, you have responsibility for compliance with several important laws and regulations. You must withhold Federal and State income taxes, pay for unemployment and workers' compensation insurance, withhold and match Social Security (FICA) taxes and Occupational Privilege Tax (OPT). You are required to obtain certain information about your employees for various government agencies, including the Internal Revenue Service (W-4 form) and the Immigration and Naturalization Service (I-9 form). Regular reports must be completed and returned to each agency with which you deal.

The following chart shows the most common requirements and the agencies responsible.

<u>Requirement</u>	<u>Agency</u>
<input type="checkbox"/> Form SS-4 establishing a Federal Employer Identification Number (FEIN); W-4 (employee's name, address, Social Security No. and # of withholding allowances) <input type="checkbox"/> Withholding: Federal Income Tax (FWH); Unemployment Taxes (FUTA); Social Security (FICA); Medicare (hospital tax) <input type="checkbox"/> Quarterly payroll reports; Form 941 (payment of FWH, FICA, Medicare); Form 940 (FUTA)	Internal Revenue Service Federal: 1-800-829-1040 <a href="http://www.irs.gov">http://www.irs.gov</a> State: 303-446-1675 and 303-238-3278 <a href="http://www.taxcolorado.com">http://www.taxcolorado.com</a>
<input type="checkbox"/> State Income Tax Withholding (SWH)	Colorado Department of Revenue 303-238-7378 <a href="http://www.revenue.state.co.us/">http://www.revenue.state.co.us/</a>
<input type="checkbox"/> Unemployment Insurance	Colorado Unemployment Insurance Liability Unit 303-620-4785 or 1-800-480-8299 <a href="http://www.coworkforce.com/uit">www.coworkforce.com/uit</a>
<input type="checkbox"/> Workers' Compensation Insurance	Colorado Division of Workers Compensation 303-318-8700 <a href="http://www.coworkforce.com/dwc">http://www.coworkforce.com/dwc</a>
<input type="checkbox"/> Health and Safety of Employees	Occupational Safety & Health Admin. (OSHA), <a href="http://www.osha.gov/">http://www.osha.gov/</a>
<input type="checkbox"/> Americans with Disabilities Act Regulations	Department of Justice, 1-800-514-0301 <a href="http://www.usdoj.gov/crt/ada/adahom1.htm">http://www.usdoj.gov/crt/ada/adahom1.htm</a> Rocky Mountain Disability and Business Training Assistance Center, 1-800-949-4232 <a href="http://www.ada-infonet.org/contact/contact.asp">http://www.ada-infonet.org/contact/contact.asp</a>
<input type="checkbox"/> Immigration Law; I-9 Form (Can be obtained from your accountant)	U.S. Immigration and Naturalization Service <a href="http://www.ins.gov">http://www.ins.gov</a>

## EMPLOYEE OR INDEPENDENT CONTRACTOR? HOW TO TELL THE DIFFERENCE

**20-FACTOR CONTROL TEST** (call the Colorado Department of Labor and Employment at 303-318-8441 for more information)

**If the worker has any of the following characteristics, there may be an employee status, and not an independent contractor relationship:**

The individual *follows instructions* about when, where and how to perform the work, *receives training* from the employer, is required to perform the *work in person* (may not sub-contract), uses *assistants supplied by the employer*, has an *ongoing work relationship* with the employer, has *fixed hours* of work, has *full-time* work status, works at the *employer's location*, is *subject to the work flow*, routines and schedules of the employer, is required to provide *regular progress reports*, is *paid on an hourly, weekly or monthly basis*, is *paid for expenses*, *uses company tools* and equipment, is restricted to *working exclusively* for that employer, *can quit or be discharged*.

A **subcontractor** relationship may exist if the worker is *paid on a lump-sum basis* at the conclusion of the work, *provides his or her own tools* and equipment, works "*off-site*" without supervision, has a *significant investment* in his or her own work facilities, *can realize a profit or a loss* from the work activity, *has multiple clients*, *markets services to other potential employers*, and *may not quit or be discharged without liability* for completing a contract for work. Form 1099 must be filed for each independent contractor or to whomever you paid over \$600 during the year.



# HOME-BASED BUSINESS GUIDELINES

Many small businesses find it cost-effective to start up in the home. This is often a good idea and can reduce overhead expenses significantly. The following information will provide a brief overview of the City of Broomfield codes that regulate home-based business activity.

For more information contact the Code Enforcement Department at 303-438-6284.

Home Occupation regulations:

- A home occupation is a business, profession, occupation or trade conducted for any business or commercial purpose, located entirely within a principal residential structure, and is accessory, incidental and secondary to the use of the structure for dwelling purposes and does not change the character or appearance of the dwelling. The business must be carried on by the inhabitants living there and no other.
- Except for family child care homes, the total area for such purposes shall not exceed one-half of the first floor area of the user's dwelling unit.
- There shall be no exterior signs or advertising.
- There shall be no exterior storage on the premises of material or equipment used as part of the home occupation.
- There shall be no offensive vibration, smoke, dust, odors, heat or glare noticeable at or beyond the property line.
- No more than 2 vehicles associated with patrons or employees of the home occupation shall be parked at any time on the dwelling unit site or on the street frontage of such dwelling.
- No more than one motor vehicle and no more than one trailer as defined in section 10-12-040 BMC, used in whole or part for a home occupation, shall be parked at any time on the dwelling unit site or on the street frontage of such dwelling unit.
- No commercial vehicle shall be parked at any time on the dwelling unit site or on the street frontage of such dwelling unit.

Family child care homes, allowed as home occupations have the following regulations:

- Family child care homes are residential households in which care is provided for two or more children under the age of thirteen not related to each other or children from more than one family for less than 24 hours on a regular basis.
- Family child care homes must be licensed by the state and comply with all regulations: the Colorado Department of Human Services and all local, zoning, and building regulations.
- There shall be no more than 8 children total, including the children of the provider, and no more than 6 children not attending full-day school, including children of the caretaker.
- Rear yard storage of playground equipment and items associated with outdoor activity related to a family child care home is allowed.
- No more than 2 motor vehicles associated with patrons or employees of the family child care home may be parked at any time on the dwelling unit site or on the street of such dwelling unit, other than 15 minutes or less for the purpose of unloading property or passenger.



