



Starting a Business in Colorado

Full legal disclaimer:** Depending on your industry, where your business is located, and the type of business you are operating, this may not be a complete list. **As a business owner, YOU are responsible for complying with the law. Do your due diligence BEFORE starting your business.

- 1. Location check** – Where will your business be located? If you're operating out of your home, you need to check with your landlord or HOA to make sure you are not violating any clauses about home based businesses. If you're renting a commercial space, verify with the landlord and the city/municipality that your business will not violate any existing zoning laws.
- 2. License check** – Some businesses require special licenses that can take months to apply for. Colorado has an "Occupational License Database" online at:
<http://www.advancecolorado.com/business-colorado/occupational-license-database>.
- 3. Local registration** – You may or may not need to register your business with your city or county, you'll want to check both to make sure. This can also vary if your business is home based. The key to look for is a "Business" section on their website, from there you should see information about potential licensing requirements. While you're there, pay attention to how to pay sales and use tax if this applies to your business, you may need a separate tax license.
- 4. State registration** – In Colorado, you must register your business with the Colorado Secretary of State. The entity type you register as will affect your taxes as well as how much legal separation there is between you and your business, so choose carefully. It can be difficult and expensive to change your entity type after you've started, so again, research is key. You can search to make sure your desired business name is available in your state as well.
- 5. Federal registration** – For tax purposes, you'll likely need to register for an Employer Identification Number (EIN) through the IRS online. Your entity selection will affect how income from your business appears on your tax return and whether or not you'll be responsible for paying estimated taxes.
- 6. Separate your banking** – This is a really big deal, even for small single owner businesses. Set up a separate bank account! Your banker will need your EIN and to see you're in good standing with the Secretary of State. Both your accountant and attorney will recommend you don't 'pierce the corporate veil,' which in essence means that you are walking, talking and acting like a business, and this is especially important with finances. If you co-mingle funds or operate your business from a personal bank account, not only will your accountant charge you more to sort it out, but it can put all of your funds in a legally liable position if something goes wrong.
- 7. Walk the walk, talk the talk** – Now you can do things like buy business cards, technology for your business, take jobs and make sales under your official business name. You've still got a long way to go towards building your dream business, but you're going in the right direction!

Still lost? Check out our upcoming workshops for "So You Want to Start a Business" or "Make It Official" for classroom training, or register for consulting.

Key Websites for Starting a Business in Colorado

Licensing

Occupational License Database -

<http://www.advancecolorado.com/business-colorado/occupational-license-database>

Larimer County Business Department -

<http://www.co.larimer.co.us/info/business.htm>

City of Fort Collins Business Department - <http://www.fcgov.com/business/>

City of Fort Collins Sales Tax - <http://www.fcgov.com/salestax/>

City of Loveland Business Department -

<http://www.cityofloveland.org/index.aspx?page=87>

Colorado Secretary of State - <http://www.sos.state.co.us/>

Colorado Department of Revenue - <https://www.colorado.gov/revenue>

Internal Revenue Service Employer Identification Numbers -

[https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online)

Business Assistance



Larimer Small Business Development Center

<http://www.larimersbdc.org/>

320 E. Vine Drive, Suite 303
Fort Collins, CO 80524

970-498-9295



Loveland Business Development Center

5400 Stone Creek Circle, Suite 200
Loveland, CO 80538

970-667-4106



Larimer County Workforce Center Business Services Department -

<http://larimerworkforce.org/business/>

