

CHECKLIST FOR STARTING YOUR BUSINESS IN COMMERCE CITY

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.coloradosbdc.org.

This checklist is a quick reference for the City of Commerce City. 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, 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 Commerce City.
- √ 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.
- √ For detailed information regarding state registration refer to the *Colorado Business Resource Guide*, or visit the State of Colorado website at 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
- √ 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/>
- √ To register with the City of Commerce City contact the City Clerk's Office at 303-289-3611, or on-line at www.ci.commerce-city.co.us.
- √ 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 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. Check the web at www.taxcolorado.com for types of classes offered, dates, times, and locations. No reservations are.

- √ **City of Commerce City:** The total combined sales tax rate in Commerce City is 7.9%: City tax of 3.5%, State tax of 2.9%. County tax of .7%, RTD tax of .6%, Cultural tax of .1% and Stadium tax of .1%. The City of Commerce Sales and Use Tax department has many resources on-line at www.commerce-city.co.us/departments/finance_info.html.

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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.
- √ **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.
- √ **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.
- √ **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) which can be ordered from OSHA 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?

A Retail, Wholesale, or Consumer Use Tax License may be obtained through the Commerce City website at www.commerce-city.co.us. The Consumer Use Tax License is required for all businesses not engaged in making retail or wholesale sales. Click on City Departments, and then choose Finance Department from the drop-down menu. Choose Sales Tax Division from the following drop-down and scroll down until you see Sales Tax/Business License. A \$20.00 Application Fee must accompany the application. The Finance Department is located at 5291 East 60th Avenue in Commerce City. Their phone number is 303.289.3627.


- √ If you plan to operate a business out of your home you will need to complete a home occupation form which is the same as the above form. See the attached sheet on home occupation guidelines.
- √ Remodeling projects, such as additions of space, alteration of entries, moving of walls or complying with ADA regulations requires approval and building permits. Contact the City of Commerce City Building Division at 303-289-3683, or go on line to the City of Commerce City, Community Planning & Development Services under Building Permits: <http://www.ci.commerce-city.co.us/departments/permit>. You will need to send 3 sets of copies of a complete set of plans with exterior elevations, a site plan drawn to scale, a landscaping plan, and a completed permit application and payment for fees.

What about local zoning and sign regulations?

- √ For local zoning and signage ordinances contact the City of Commerce City Code Enforcement Department at 303-289-3653, or on-line at http://www.ci.commerce-city.co.us/departments/public_safety.
- √ The Commerce City general sign regulations are listed within the Municipal Code found on the city website under Community Planning and Development Services Department. The phone number for the Department is 303-289-3683. Below is a listing of prohibited signs.
 - An advertising device that is mechanically agitated or mechanically designed to move, rotate, spin, wave, or make any motion.
 - Any advertising device constituting a nuisance due to light, glare, focus, noise, animation, flashing or intensity of illumination causing a traffic hazard.
 - Any radio, phonograph, tape recorder, whistle, bell, gong, siren, or other sound device in connection with a sign.

- Any advertising device which blocks any window, doorway, or other opening which is required for proper ventilation or exit facilities.
- Any advertising device which encroaches upon any public right-of-way.
- Any free-standing sign which at its lowest point is less than 8 feet from the ground.
- Any low-profile sign which at its highest point above ground exceeds 6 feet in height.

√ 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. There are many restrictions concerning signs, so please go to the website to check your sign, size, location, and condition before putting it into place.

 **How can I get connected to the local business community for Commerce City and Adams County?**

- √ Adams County Economic Development supports the creation and expansion of quality primary jobs by providing meaningful programs and services to primary employers. The Office can be reached at 303-450-5106, or on-line at www.adamscountyed.co.us.
- √ Contact Debbie Stevens at the Economic Development Office at 5291 E 60th Avenue, 303-289-3730, dstevens@ci.commerce-city.co.us for questions about businesses in Commerce City
- √ The Commerce City business community is connected through the Metro North Chamber of Commerce. The Chamber of Commerce can be reached at 303-288-1000, or via the web at www.metronorthchamber.com.
- √ The City of Commerce City web site is www.ci.commerce-city.co.us. To contact the City by phone call 303-289-3600. City Departments are located at 5291 E. 60th Avenue, Commerce City.
- √ The City of Commerce City Planning Division has available up-to-date demographic information about the City. Information includes population and household data, property values, retail trade potential, and labor statistics. For further information, contact the Planning Division at 303-289-3683.
- √ The Public Library is a part of the Rangeview Public Library System with a branch located at 7185 Monaco Street in Commerce City. For further information contact the General Information Line at 303-287-0063.
- √ Commerce City Business and Professional Association strives to promote economic stability in the region by enhancing opportunities, leadership, and by coordinating efforts in the community. You can reach them on line at ccbpa.org.
- √ Jaime di Paulo, Community Relations specialist, can be reached at 303-227-8775 or on line at jdipaulo@commerce-city.co.us.



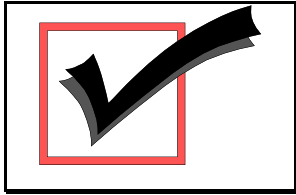
CALENDAR OF FEDERAL TAXES FOR WHICH YOU MAY BE LIABLE

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.
- State tax calendar closely follows federal; see the Colorado Business Resource Guide or the Colorado Department of Revenue on-line at www.taxcolorado.com.



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 http://www.irs.gov State: 303-446-1675 and 303-238-3278 http://www.taxcolorado.com
<input type="checkbox"/> State Income Tax Withholding (SWH)	Colorado Department of Revenue 303-238-7378 http://www.revenue.state.co.us/
<input type="checkbox"/> Unemployment Insurance	Colorado Unemployment Insurance Liability Unit 303-620-4785 or 1-800-480-8299 www.coworkforce.com/uit
<input type="checkbox"/> Workers' Compensation Insurance	Colorado Division of Workers Compensation 303-318-8700 http://www.coworkforce.com/dwc
<input type="checkbox"/> Health and Safety of Employees	Occupational Safety & Health Admin. (OSHA), http://www.osha.gov/
<input type="checkbox"/> Americans with Disabilities Act Regulations	Department of Justice, 1-800-514-0301 http://www.usdoj.gov/crt/ada/adahom1.htm Rocky Mountain Disability and Business Training Assistance Center, 1-800-949-4232 http://www.ada-infonet.org/contact/contact.asp
<input type="checkbox"/> Immigration Law; I-9 Form (Can be obtained from your accountant)	U.S. Immigration and Naturalization Service http://www.ins.gov

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 Commerce City codes that regulate home-based business activity.

For more information contact the city at 303-289-3628 or via the web at ci.commerce-city.co.us. On the left side of the home page click City Departments, then Finance, and Sales Tax to find the Home Occupation Information.

A home occupation means an occupation carried on in the dwelling by members of the family occupying the dwelling. The Commerce City Zoning Ordinance requires that in order to operate a home occupation in a residential district, a Retail Sales Tax/ Consumer's Use Tax License may be approved if you are willing to adhere to the following conditions relative to the operation of your business on the subject property.

Regulations:

- Only members of your immediate family who reside with you may be hired as employees to work at your business location.
- No posting of signs will be allowed on the property or residence.
- All business deliveries to the property shall be made by regular postal service.
- The property and structures may not be structurally altered to accommodate your operation without prior written consent from the City of Commerce City.
- Customers may not visit the property for the purpose of obtaining services or to pick up goods.
- You must obtain a Transient Merchants or Solicitor's License for door-to-door sales.
- Hand bills, posters, placards or printed material which shall be placed upon a fence, power pole, telephone pole or any other utility and /or affixed to windshields without the permission of the agent is deemed a nuisance.
- Failure to comply with the terms of this agreement may result in revocation of your Retail Sales Tax/Consumer Use Tax License.
- It is unlawful to park, keep, or store any vehicle in excess of one ton carrying capacity in any residential zone district.
- There is a \$20.00 application fee that is not refundable.