



How to Start a Business in California Checklist

1. Form your business.

1.1. Review formation options in California.

There are six ways of forming your business in California. Choose the one that suits your business best.

1.2. Name your business.

After verifying that your desired name does not already exist, register your business name with the Secretary of State.

1.3. Get an employer identification number.

Apply for an EIN with the IRS.

1.4. Register your business in California.

Sole proprietorships and general partners do not need to file with the state. LLCs and corporations must file certificates of formation online. Alternatively, these documents can be mailed or delivered.

1.5. File a DBA statement.

If you are operating under a name different to your own, file a DBA.

1.6. Obtain necessary permits and licenses.

Use CalGold to find out which licenses and permits you require.

1.7. Obtain local permits.

Contact your local municipality to find out more about their regulations and the permits you will need.

2. Register your business for taxes.

2.1. Pay franchise tax.

Visit the Franchise Tax Board's website to pay the minimum \$800.00 franchise tax.

2.2. Pay income tax.

If you are a sole proprietor or general partnership, fill out IRS Form 1040.

2.3. Register for Small Business payroll taxes.

Visit the Employment Development Department's website to register online.

3. Hire employees and report them to the state.

3.1. Visit the Employment Development Department's website.

Use e-services for Businesses to report newly hired employees or use the form to report via fax, mail, or telephone.

3.2. Obtain Workers' Compensation Insurance.

Obtain workers' compensation insurance through a broker or directly from an insurance company.

3.3. Display mandatory posters in your place of business.

Ensure that all mandatory posters are displayed in English and Spanish at all your worksites. Visit the Department of Industrial Relations to download them.