



How to Start a Business in Illinois Checklist

1. Form your business.

1.1. Review Illinois formation options.

Review the different formation options offered in Illinois and pick the one that best suits your business.

1.2. Name your business.

Research your business name to determine availability and apply to reserve the name or register an assumed business name.

1.3. Get an Employer Identification Number.

Apply for an employer identification number with the IRS.

1.4. Register your business in Illinois.

Obtain the necessary paperwork and file it with the Illinois Secretary of State or register online.

1.5. Obtain necessary permits and licenses.

Research the licenses and permits applicable to your business. Depending on the activities of your business, you may need to register with various state agencies. Find out if there are any local license and permit requirement you need from your local city or county clerk.

2. Register your business for taxes.

2.1. Apply for an Illinois tax ID number.

Register with the Illinois Department of Revenue (IDOR) to obtain a tax ID number. This can be done online, by mail, or in-person.

2.2. Register for withholding tax.

If your business has employees working in the state, you need to register for withholding tax with the IDOR.

2.3. Register for sales and use tax.

If your business sells tangible personal property or provides other taxable services, you need to register for sales and use tax with the IDOR.

2.4. Create an unemployment insurance account.

If your business has employees and pays at least \$1,500.00 in total wages during a calendar quarter, you need to create an unemployment insurance (UI) account to pay UI taxes.

3. Report employees to the state and obtain mandatory insurance.

3.1. Report new hires.

Employers must report new hires to the Illinois Department of Employment Security (IDES) within 20 days of employment. You can report new employees by mail, fax, or online.

3.2. Get workers' compensation insurance.

Almost all businesses are, by law, required to have workers' compensation insurance. Insurance is generally purchased through private firms or agents.

3.3. Display mandatory posters.

Employers are required to display certain posters pertaining to employees' rights under the Wage Payment and Collection Act, the Child Labor Law, and others in the workplace. These posters are available from the Illinois Department of Labor.