

Foreward

As in a chess game, success for a small business starts with a decisive and correct opening move. This guide facilitates the first steps needed to start your business on the solid ground that will be the base of your business for the future.

The business environment is constantly changing and challenging. Available in this packet are a variety of resources, some of which may not apply to you and your business. As regulations are periodically changed and updated, there is no guarantee as to this information being complete or all-inclusive. It is our wish that you and your company have a simplified and productive start on your path to success.

-The staff of the University of Central Florida Technology Incubator

Florida Business Regulations

Steps To Take
Zoning
Health Requirements: (If applicable)
Privilege Taxes
Register Florida Employment Security Commission
Obtain Federal Identification Number: File for SS-4
Register State Tax Commission

Note: Depending on your business, the above may not be a complete list. It is intended as a guideline only

Business Regulations, Taxes, Insurance and Licenses

ZONING DEPARTAMENTS

| | | |
|-------------------|--|-----------------------|
| Altamonte Springs | 225 Newburyport Ave., Altamonte Springs, 32710 | (407) 830-3865 |
| Maitland | 1776 Independence Lane, Maitland, 32751 | (407) 539-6213 |
| Orange County | 201 S. Rosalind Ave., Orlando, 32801 | (407) 836-5525 |
| Orlando | 400S. Orange Ave., Orlando, 32801 | (407) 246-2277 |
| Osceola County | 17 S. Vernon Ave., Rm. 235, Kissimmee, 32741 | (407) 847-1230 |
| Seminole County | 1101 E. First St., Sanford, 32771 | (407) 321-1130 x 7441 |
| Winter Park | 401 Park Ave., S., Winter Park, 32789 | (407) 623-3239 |

OCCUPATIONAL LICENSES

Local occupational licenses are required for most businesses and are issued by counties and cities. Check with your local city clerk and county tax collector. Many businesses and professions are also licensed by the state. To find out if a state license is required for your particular business, call the Florida Business Line at 1-800-342-0771.

| | | |
|-------------------|--|------------------------------|
| Altamonte Springs | 225 Newburyport Ave., Altamonte Springs, 32710 | (407) 830-3805 |
| Casselberry | 95 Triplet Lake Dr., Casselberry, 32707 | (407) 831-3551 |
| Longwood | 175 W. Warren Ave., Longwood, 32750 | (407) 260-3442 |
| Maitland | 1776 Independence Lane, Maitland, 32751 | (407) 539-6265 |
| Orange County | 201 S. Rosalind Ave., Orlando, 32801 | (407) 836-5650 |
| Orlando | 400S. Orange Ave., Orlando, 32801 | (407) 246-2204 |
| Osceola County | 17 S. Vernon Ave., Rm. 235, Kissimmee, 32741 | (407) 847-1532 |
| Seminole County | 1101 E. First St., Stanford, 32771 | (407) 321-1130 x 7630 Winter |
| Park | 401 Park Ave., S., Winter Park, 32789 | (407) 623-3237 or 3350 |
| Sanford | 300 Park Ave., Sanford, 32771 | (407) 330-5664 |

OCCUPATIONAL LICENSE TAX

For the privilege of engaging in certain specified types of business, occupational license tax may be levied by federal government and incorporated municipalities.

CORPORATIONS/ PARTNERSHIPS AND INDIVIDUAL PROPRIETORSHIPS

In a Corporation, control of the business depends on ownership of stock. For information about corporate filings and fees, write the Florida Department of State, Box 6327, Tallahassee, FL 32314.

In a Partnership, control of the business is shared by partners. In an Individual Proprietorship, the owner has absolute authority over all business decisions.

For more information on assistance with choosing the correct format for your business, please contact the Small Business Development Center (407) 823-5554

BUILDING PERMITS

LOCATION

PHONE

| | |
|----------------------------------|----------------|
| City of Altamonte Springs | (407) 830-3864 |
| City of Apopka | (407) 889-1713 |
| City of Kissimmee | (407) 518-2120 |
| City of Lake Mary | (407) 333-8230 |
| City of Longwood | (407) 260-3464 |
| City of Maitland | (407) 539-6248 |
| City of Ocoee | (407) 656-2322 |
| City of Orlando | (407) 246-2271 |
| City of Oviedo | (407) 977-6027 |
| Improvement District Reedy Creek | (407) 828-2241 |
| City of Sanford | (407) 330-5659 |
| City of St. Cloud | (407) 957-7224 |
| City of Winter Garden | (407) 656-4111 |
| City of Winter Park | (407) 599-3237 |
| City of Winter Springs | (407) 327-7596 |
| County of Orange | (407) 836-5760 |
| County of Lake | (352) 394-5962 |
| County of Osceola | (407) 343-2255 |

HEALTH REQUIREMENTS

If you are dealing with foods in any way, or if sewerage or drainage is involved, you must obtain clearance from the county health department: www.doh.state.fl.us

LOCATION

PHONE

| | |
|--------------------|----------------|
| County of Orange | (407) 836-2600 |
| County of Lake | (352) 394-5747 |
| County of Osceola | (407) 892-2973 |
| County of Seminole | (407) 665-3200 |
| State of Florida | (407) 245-0460 |

BUSINESS NAME

If a business, not incorporated, is named something other than the owner's name, a fictitious name must be registered with the state. The fictitious name must be advertised once in a newspaper in the county where the business will be based. For more information, write Florida Department of State, Fictitious Name Registration, Box 1300, Tallahassee, FL 32302-1300.

(850) 487-6058 <http://www.dos.state.fl.us>

TAXES

State Obtain a State Sales Tax Number from: State Revenue Department, Florida Sales Tax Division, 1241 S. Orlando Avenue, Maitland, FL, 32751 (407) 623-1141
<http://sun6.dms.state.fl.us/dor/>

Federal The IRS has information and workshops on the preparation of small business taxes. 1-800-829-1040 for questions, 1-800-829-3676 or order tax forms/ publications. Federal I.D. Numbers can be obtained by calling (404) 455-2360. You must have completed SS4 application in hand.

<http://www.irs.gov/>

PRIVILEGE TAXES

Privilege taxes are due annually to the city in which a company does business. If not in a city, taxes are paid to the county.

UNEMPLOYMENT COMPENSATION TAX

Both the federal government and the state levy a tax on employers for the purpose of providing funds to pay unemployment benefits and to administer the fund. At present, the federal tax rate is 6.2% of the first \$7,000 paid to each employee and the state rate is a maximum of 5.4%. However, against the federal tax, a credit is allowed for the amount paid to the state, which means that the federal rate will not be more than 0.8% of the first \$7,000 paid to each employee. Although the maximum state rate is 5.4%, the state has in effect an experience rating system whereby an employer with stable employment may achieve a modified rate as low as 1%. If the employer is granted a reduced rate due to good employment experience, he/she will still get the full 5.4% credit against the federal tax. New employers must pay full 2.7% rate for a period until experience is established.

A Florida business must collect sales taxes from any applicable products and services. Check with the Florida Department of Revenue to determine what is taxable. If your Business will be involved in taxable transactions, you must register as a sales and use tax dealer (form DR-1). Most business pay monthly, with returns and payments due on the first day of the next month after the tax was collected and late after the 20th of the month. Businesses that file \$1,000 or less per year, may file quarterly. If a business files \$500 or less annually in sales and use tax, it may file semi-annually.

Unemployment Compensation Center 1-800-482-8293

Division of Unemployment Compensation, Jobs and Benefits Center

Apopka (407) 884-2060

Kissimmee (407) 846-5477

Orlando (407) 897-2880

Or visit http://www.fdles.state.us/form_pub.htm

FEDERAL EMPLOYER IDENTIFICATION NUMBER

EINs are used to identify the tax accounts of employers, certain sole proprietors, corporations, partnerships, estates, trusts and other entities.

If you have employees, have a Keogh plan, operate your business as a corporation or partnership, you must obtain an EIN.

A Federal Employer Identification Number (SS-4) is issued to most businesses. For forms and federal

tax information, visit your local IRS office or call 1-800-829-3676. Your Federal Employer

Identification number is required on the Florida Sales & Use Tax return (DR-15).

<http://www.tax.gov/ein.htm>

SOCIAL SECURITY AND MEDICARE TAXES

Social Security and Medicare taxes pay for benefits for workers and their families under the Federal Insurance Contributions Act (FICA). Social security tax pay for benefits under the old-age, survivors, and disability insurance section of FICA. Medicare tax pays for benefits under the hospital insurance section. An employer withholds a portion of these taxes from employees' wages and pays a matching amount his/herself.

WITHHOLDING AND DEPOSITING TAXES

Employers must withhold and deposit income, social security and Medicare taxes throughout the year as instructed in IRS Pub. No. 15, *Employer's Tax Guide*. Generally, employers must deposit taxes using a monthly or semiweekly schedule, depending on the total amount of their tax liability.

Tax deposits are made at Federal Reserve Banks or other authorized financial institutions. Larger employers are required to make these deposits electronically. Cash deposits should be made only with Form 8109,

Federal Tax Deposit Coupon. An initial supply of these deposit forms are provided when you file for an employer identification number; additional forms are provided by IRS automatically thereafter.

Additional References:

These may be obtained free from the IRS by calling 1-800-829-1040

Or visit <http://www.irs.gov/>

| <u>PUBLICATION#</u> | <u>TITLE</u> |
|---------------------|--|
| 463 | Travel, Entertainment, & Gift Expenses |
| 534 | Depreciation |
| 544 | Sales and Other Dispositions of Assets |
| 551 | Basis of Assets |
| 553 | Highlights of the 1995 Tax Changes |
| 587 | Business Use of Your Home |
| 917 | Business Use of Your Car |
| 987 | Business Reporting |

FLORIDA SALES TAX REGISTRATION

Before any person is granted a license from any governmental agency or can open a business in Florida, he or she must first find out whether the business activity will be subject to sales tax. If your business activity is subject to Florida's sales tax, you must register to collect and remit the tax. For more information, call Taxpayer Services, Monday-Friday, 8 a.m.-5p.m., ET, at 1-800-352-3671 (in Florida only) or 850-488-6800

ALCOHOLIC BEVERAGES

The sale of alcoholic beverages is controlled by the Florida State Alcoholic Beverages and Tobacco Division, 5600 Diplomat Circle, Suite 118, Orlando, 32801; or for licensing call (407) 245-0785

FLORIDA STATE INCOME TAXES

Florida's constitution prohibits a State Personal Income Tax.

FLORIDA CORPORATE INCOME TAX

Corporations doing business in Florida are subject to the 5.5% tax. C- Corporations pay the tax on form F-1120. If the business shows net income of \$45,000 or less and conducts all business in Florida, it may file the short form, F-1120A. Limited liability companies classified as a corporation for federal tax purposes must file a Florida corporate income tax return. An S- Corporation in Florida files an F-1120 corporate income tax return for the first year it does business in the state, and answers the form's information questions. Unless there is a federal taxable income at the corporate level, no state filing is required for subsequent years as long as the S-Corporation does not owe federal tax.

FEDERAL INCOME TAXES

Reports must be filed quarterly on Form 941. At the end of the year each employee's Form W-2 must show not only the total earning subject from income tax, but also the amount of FICA tax withheld. The quarterly returns are due within 30 days after the end of the quarter and if the total FICA tax, per employee, is not over \$500, the tax may be paid with the return; but if a larger amount, it must be deposited earlier in designated banks.

For more information, contact the IRS by telephone 1-800-829-1040 / <http://www.irs.gov/>

INSURANCE

The business owner should consult an experienced general insurance agent for an outline of insurance needs, and costs. The agent or broker, preferably one you know, should represent several insurance companies so as to secure a variety of plans and prices. It is a good idea to contact more than one agency and compare prices and coverage. The following is a list of typical insurance a business may need.

PROPERTY INSURANCE - Fire and casualty on building, fixtures, and inventory.

LIABILITY INSURANCE - General liability, product liability, and/or malpractice insurance.

FIDELITY AND CRIME INSURANCE - Fidelity bonds on employees, burglary and vandalism.

WORKER'S COMPENSATION INSURANCE - Administered by the Worker's Compensation Commission,

If you have 5 or more employees, you must either carry this coverage, or qualify as a self-insurer. To qualify as a self-insurer, you must appear before the commission and meet certain qualifications.

LIFE AND HEALTH INSURANCE - Group hospital, health, and accident on employees. This is sometimes part of a benefit plan.

KEY PERSON INSURANCE - Protects the business from losses due to death or incapacity of key people in the organization.

Many of these coverages are issued in "packages" containing a number of exposures. Since these packages vary with the companies, as do the premiums, it is wise to get information from several companies to best meet your individual needs at the lowest cost.

For more information, call the Florida Division of Insurance Consumer Services (407) 245-0870
Or, call 800-342-2762 and order the "Small Business Owner's Insurance Costumer Guide, 199-2000".
You can also visit <http://www.doi.state.fl.us>

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

If you have over 15 employees, you may be covered by EEOC Act. Contact EEOC, One Biscayne Tower, suite 2700 tow south Biscayne Blvd. Miami, Fl. 33131 1-800-669-3362

Or visit <http://www.eeoc.gov/>

INCORPORATING IN FLORIDA

Corporations separate individual legal entities that must be incorporated in with the Florida Department of State, division of Corporations (\$70 mandatory fees plus \$8.75 for an optional certified copy).

The two types of corporations that are traditional are "C-Corporations" and "S-Corporations". With a C-Corporation, the corporation, rather than individuals, pays taxes and assumes liabilities. Florida has a 5.5% corporate income tax.

An S-Corporation, on the other hand, allows up to 75 shareholders to share income and expenses and to report them for their individual income tax returns.

Articles of incorporation must be prepared and executed in compliance with the "Florida Business Corporation Act" and delivered to:

Florida Department of State
(850) 487-6050
<http://www.dos.state.fl.us>

WAGES AND HOURS

The Fair Labor Standards Act is a 1938 federal law that applies to most business involved in interstate commerce. It requires payment of the minimum wage (currently \$5.15 an hour) and overtime pay not less than one and one-half times the regular pay rate after 40 hours of work. It also restricts employment of children under age 16.

Federal and state wage/hour and child labor laws cover neither all businesses nor all employees of a given business. The coverage of these laws is complicated with many exceptions. Therefore,

there is no simple way to tell if your business must comply with one or more of the federal and state laws relating to minimum wage, overtime pay and child labor, or if it is, which employees are covered and which are not.

If the employer has employees working in more than one state, it may be necessary to register as an employer with another state's Employment Security Agency.

Bureau of Wages
(407) 684-4471 ext.16

Wedge and Hour division
(407) 648-6471

IMIGRATION LAW AND RESTRICTIONS ON HIRING

As an employer, you are prohibited from hiring illegal aliens, and depending on the number of any prior violations, you may be subject to fines of \$250 to \$20,000 for each alien hired after November 1986.

You may obtain copies of Form I-9 (required of all employees hired after November 1986) as well as a copy of the "Employers Handbook" and information on responsibility as an employer by contacting the following office:

U.S. Immigration and Naturalization Service
1-800-755-0777

AMERICANS WITH DISBILITIES ACT

In 1990, Congress enacted the Americans With Disabilities Act (ADA) which is designed to make both the work place and most public facilities much more accessible to disabled persons.

For more information on the ADA, contact one of the following:

Equal Employment Opportunity
Commission
2401 E Street
Washington D.C. 20506
(202) 663-4900
1-800-669-4000 (for information)
1-800-669-3362 (for publications)
<http://www.eeoc.gov/>

Civil Rights Division
U.S. Department of Justice
1-800-514-0301

FLORIDA EMPLOYMENT SECURITY COMMISSION

Contact the One Step Career Center (407) 897-2880 or visit www.state.fl.us/dles

ERISA (Employment Retirement Income Security Act of 1974) Employee Benefit Plans

If you have employees and provide them with fringe benefits such as group health insurance, pension or profit sharing retirement plans; you will almost certainly have to comply with at least some of the Employee Retirement Income Security Act of 1974. Compliance with ERISA is not a simple matter and involves numerous and complex civil and criminal penalties for failure to comply with ERISA requirements. If you plan on offering any sort of fringe benefits to your employee(s), it is in your best interest to seek the advise of a professional financial advisor.

FAIR EMPLOYMENT PRACTICES

As an employer, you will also need to be alert to your obligations under a number of federal and state laws that prohibit discrimination in employment on the basis of sex, race, color, national origin, religion or on account of mental or physical handicaps. These laws apply not only to hiring practices, but also to almost every aspect of the relationship between an employer and employee, including promotions, type of work assigned, working conditions, etc. For a list of these Federal Anti-Discrimination Laws, who must comply and what each law requires, contact:

Small Business Development Center, UCF (SBDC)
(407) 823-5554
<http://www.bus.ucf.edu/sbdc/>

MANDATORY FAMILY AND MEDICAL LEAVE REQUIREMENTS

This law, which became effective in August 1993, applies to all companies (including non-profit entities) that have 50 or more employees during 20 or more calendar workweeks. This has resulted in many companies in the U.S. being subject to this law.

For more information contact the Wedge and Hour division (407) 648-6471

OTHER SOURCES OF INFORMATION AND ASSISTANCE

UNIVERSITY OF CENTRAL FLORIDA TECHNOLOGY INCUBATOR
12565 Research Parkway, Suite 300
Orlando, FL 32826
(407) 882-0202

FLORIDA SMALL BUSINESS DEVELOPMENT CENTER, UNIVERSITY OF CENTRAL FLORIDA
12565 Research Parkway, Suite 300
Orlando, FL 32826
(407) 823-5554
<http://www.bus.ucf.edu/sbdc/>

U.S. SMALL BUSINESS ADMINISTRATION
South Florida- 100 South Biscayne Blvd., 7th Fl.
Miami 33131
(305) 536-1900
North Florida- 7825 Baymeadows way.
Jacksonville 32256
(954) 433-1900
<http://www.sba.gov/>

SMALL BUSINESS INSTITUTE
College of Business Administration
4000 University Blvd.
Orlando, FL. 32816-1400
(407) 823-2682