



FAQs: Starting a New Business

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Starting a new business

SBA and the Pathway Women's Business Center collaborate with many organizations to make the best possible resources available to women entrepreneurs. Starting a business is an exciting proposition, but it's also an incredibly challenging undertaking. This page is a good point of reference for you, and the resources in this section will help you learn about what it takes and connect you with the right resources to successfully start a business.

Information about starting a new business

Where can I go on-line to learn about starting a business in Tennessee?

- [Anyone contemplating starting a business should first access and study the information available on-line at the following Websites.](#)
 - The U.S. Small Business Administration (SBA) is the primary advocate of small businesses within the Federal government. The SBA and its resource partners can help you with the loans and management skills necessary to launch a successful business. Information at this site will help you learn about what it takes to start a business. <http://www.sba.gov/thinking-about-starting>
 - [BusinessUSA](#) is your front door to the services and information provided by the various Federal agencies [to businesses to help them grow and hire. BusinessUSA will walk you through a series of questions about the new business you are considering and will use your input to direct you to available resources and information.](#) <http://business.usa.gov/>.
- *Tennessee Smart Start*, published by The Business Enterprise Resource Office (BERO) of the Tennessee Department of Economic and Community Development (ECD), provides an excellent summary of the challenges and obstacles facing small business owners and entrepreneurs in Tennessee. This guide can be downloaded at <http://www.tn.gov/e cd/bero/pdf/TNSmartStartGuide.pdf>
- The SBA publishes a *Small Business Resource* guide for Tennessee. This guide can be downloaded at <http://www.smallbusiness3.com/pdf/english/tennessee.pdf>
- [Local chambers of commerce provide local business networking and a range of services and resources to assist business development and economic growth in their communities. You can find your local chamber at <http://tennessee.org/>.](#)

Assistance with starting a new business

Where can I get free assistance in starting a business in Tennessee?

- The SBA assists entrepreneurs who are looking to start up or expand a business. The SBA has offices in Nashville and Memphis. <http://www.sba.gov/local-assistance/TN/local-resources>
- SCORE "Counselors to America's Small Business" is a non-profit association dedicated to educating entrepreneurs and to the formation, growth and success of small business nationwide. SCORE does this by harnessing the passion and knowledge of individuals who have owned their own businesses. SCORE



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is a resource partner of the SBA. Currently, SCORE has chapters in Bristol, Chattanooga, Crossville, Johnson City, Nashville, Knoxville and Memphis. <http://www.score.org/chapters-map>

- SBA's Small Business Development Center program's mission is to build, sustain, and promote small business development and enhance local economies by creating businesses and jobs. Partially funded by grants from the SBA, the Tennessee Small Business Development Center (TSBDC) is a network of professional business consultants with 12 centers and two satellite offices in 14 cities throughout Tennessee, whose mission is to provide business advice and training to existing and potential small businesses. TSBDCs offer free one-on-one expert business advice and low-cost training by qualified small business professionals to existing and future entrepreneurs. <https://www.tsbdc.org/>

There's no charge for counseling provided by SBA, SCORE, or TSBDC's. Whether you are just starting your business venture or want to expand it, counselors will help you map out how to do it.

Legal structures

Legal structures for new businesses include: Sole Proprietorships, Partnerships, C. Corporations, S Corporations (also called Subchapter S Corporations), Limited Liability Companies, or Limited Liability Partnerships. How do I choose which structure is best for me?

- You should obtain professional advice about the pros and cons of each legal structure vis-à-vis your particular circumstances, from an attorney, CPA or business counselor. You can get referral help on attorneys from the Tennessee Bar Association (TBA) at <http://www.tba.org/>, and on CPA's from The Tennessee Society of Certified Public Accountants (TSCPA) at <http://www.tscpa.com/content/home.aspx>

Taxes

When you start or expand a business in Tennessee, it is important to understand the potential taxes you will be required to pay. What are these potential taxes?

- Companies doing business in Tennessee may be liable for a multitude of local, state and Federal taxes. You should understand how each of these taxes will affect your business before you launch it. There are several on-line sources of tax information that can help educate you about these various taxes.
 - *Federal*—The IRS Small Business/Self-Employed Tax Center is an excellent source of information about Federal taxes, including employment taxes. <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Small-Business-and-Self-Employed-Tax-Center-1>
 - *State and Local*—The Tennessee Department of Revenue publishes a start-up guide that can be accessed at <http://www.state.tn.us/revenue/>.
- The IRS and Tennessee Department of Revenue offer free on-line training/seminars to assist new businesses/business owners. This training can be accessed at their Website links.
- Your accountant, payroll person, or tax advisor is a good source of information about the various taxes that will affect your business.



Registrations and certifications

Do I need to register with the Federal, state and local governments before I start my business? If so, where do I go to register?

- There is a number of Federal, state and local registrations that you will need to make as part of starting a new business. The more important of these are:
 - *Federal Employee Identification Number (FEIN)*—if you do not want to use your social security number to identify your business, or if you will employ anyone other than yourself, you are required to obtain an FEIN from the IRS. The FEIN is your business's permanent identification number and can be used to open bank accounts, apply for business licenses, etc. You can learn more about this requirement and apply for an FEIN at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Small-Business-and-Self-Employed-Tax-Center-1>
 - *State and Local Tax Certifications*—if you plan to sell products, you will need a Sales Tax Exemption Certificate, which you can obtain from The Tennessee Department of Revenue. Depending on the nature of your business, you may also be subject to various miscellaneous business taxes which are also discussed at their Website <http://www.state.tn.us/revenue/>.
 - *Business Licenses*—there are many types of licenses, both state and local, that you may be required to obtain. You should consult the local County Clerk <https://secure.tncountyclerk.com/> or the Tennessee Department of Revenue <http://www.state.tn.us/revenue/> for assistance.
 - *Registration of Business Name*—you may also want to register your business name with the county clerk's office in the county where your business is based <https://secure.tncountyclerk.com/> or with the state if you are a corporation.

Insurance

What types of business insurance should (must) I purchase for my new business?

- It is prudent for any business to purchase a number of basic types of insurance. Some types of insurance, such as workers' compensation insurance and unemployment insurance, may be required by law.
- The business guides *Tennessee Smart Start* <http://www.tn.gov/e cd/bero/pdf/TNSmartStartGuide.pdf> and *Small Business Resource* <http://www.smallbusiness3.com/pdf/english/tennessee.pdf> include good summaries of the various types of business insurance that should be considered.

Federal, state and local regulations

Different types of business activities are regulated at the Federal, state and local levels. Where can I learn about the various regulations that may affect my business?

- Municipalities generally regulate or zone the location of different types of businesses. You should contact your local zoning board(s) or county clerk's office <https://secure.tncountyclerk.com> for this information.



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- The Tennessee Department of Commerce and Insurance licenses and regulates certain non-medical professions. <http://www.tn.gov/regboards/>
- The Tennessee Department of Health regulates health care professionals. <http://health.state.tn.us/>
- The Tennessee Department of Environment and Conservation (TDEC) regulates environmental output of businesses. <http://www.state.tn.us/environment/>
- There are a number of other regulatory boards in Tennessee. <http://www.tn.gov/regboards/>

Employee laws and regulations

Where can I learn about laws and regulations governing my employees?

- *Payroll taxes*—Social Security Administration <http://www.ssa.gov/> and IRS <http://www.irs.gov/>
- *Health insurance*—
- *Wages and labor laws*-- <http://www.tn.gov/labor-wfd/>
- *Unemployment insurance and workers' compensation insurance*--<http://www.tn.gov/labor-wfd/>
- *Workplace disability programs*-- <http://www.ada.gov/>
- *U.S. citizenship and immigration services*-- <http://www.uscis.gov/>
- *Safety and health* — Tennessee Department of Labor and Workforce Development <http://www.tn.gov/labor-wfd/> and Occupational Safety & Health Administration <http://www.tn.gov/labor-wfd/tosha.shtml>