

The Nuts and Bolts

Navigating the Legal & Technology Maze



Agenda



- Taxes,
- Permits,
- Regulations,
- Insurance,
- Technology

REMINDER: THIS IS AN OVERVIEW

For More in Depth Information

- Request a SCORE counselor
- Attend the SCORE seminar “How to Really Start Your Own Business”
- Access resources on www.score.org
- Access resources on www.scorecr.org

TAXES

Types of Taxes

- **Sales & use taxes**
- **Employment taxes**
- **Excise taxes**
- **Income taxes**
- **Property taxes**

TAXES – continued (2)

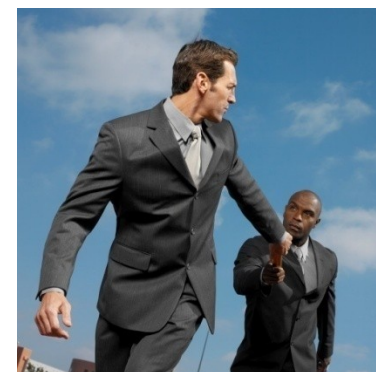
Sales & Use Taxes

- Iowa and possibly other states
- Need permit from Department of Revenue
- Sales tax is customer's obligation
- Collecting the tax is the merchant's obligation
- Use tax on purchases is the purchaser's obligation
- Iowa taxes specific services in addition to sales of tangible personal property

TAXES – continued (3)

Excise Taxes

- **Federal or state**
- **Examples**
 - Cigarette taxes (federal & state)
 - Gas guzzler tax on vehicles (federal)
- **Not as universal as sales & use taxes**
- **Quarterly federal returns**
- **State returns may be monthly**



TAXES – continued (4)

Income Taxes

- **Federal, state & city**
- **Annual returns required**
- **Withholding or quarterly estimated payments**
- **Self employment tax on earned income (15.3%)**
- **Cap on self employment earnings that are taxed**

TAXES – continued (5)

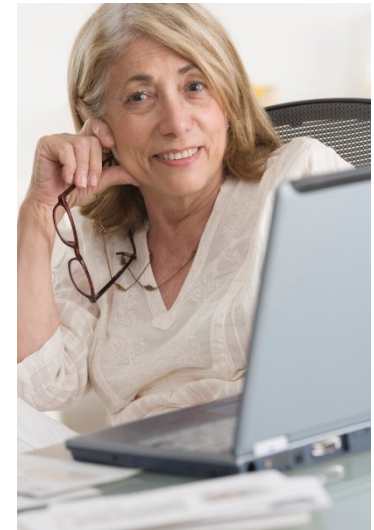
Other Considerations:

- **Need an employer identification number (EID)**
- **Tax law and rules not always crystal clear:**
 - More conservative when collecting taxes from customers
 - Examples – sales or employee withholding taxes
 - More aggressive when paying taxes that are your obligation
 - Example – income taxes
- **Information Sources:**
 - Federal forms, publications, etc. – www.irs.gov
 - Iowa forms, etc. – www.iowa.gov/tax

PERMITS & REGULATIONS

Contacts to Make:

- **Go local first**
- **Describe your business to agency**
- **Cedar Rapids city clerk – 319-286-5060**
- **Marion city clerk – 319-743-6350**
- **Hiawatha city hall – 319-393-1515**
- **Linn County auditor – 319-892-5308**
- **Linn County health department – 319-892-6000**
- **Cedar Rapids zoning department – 319-286-5831**
- **Linn County zoning department – 319-812-5130**

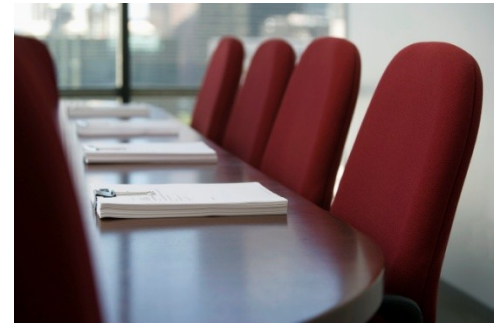


PERMITS & REGULATIONS

Continued (2)

State Permits & Regulations:

- **Try following website for guidance**
 - www.iowalifechanging.com/business
 - www.iowalifechanging.com/business/startup.aspx
 - www.iowalifechanging.com/business/blc.aspx
- **Above website references a number of resources**

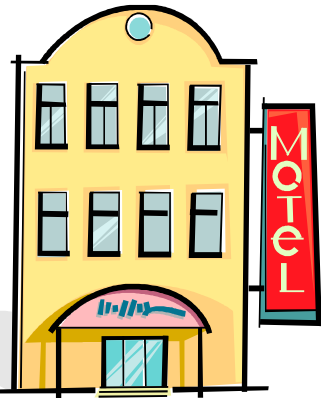


PERMITS & REGULATIONS

Continued (3)

Registering Business Name:

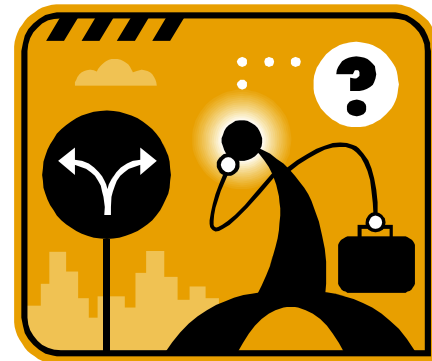
- Corporations are registered when formed
- LLCs are registered when formed
- LLPs are registered when registered with SOS
- Secretary of State (SOS) website provides business names
- Proprietorships & partnerships:
 - Register trade name with county recorder
 - Form is available on county recorder website



INSURANCE

Types of Insurance:

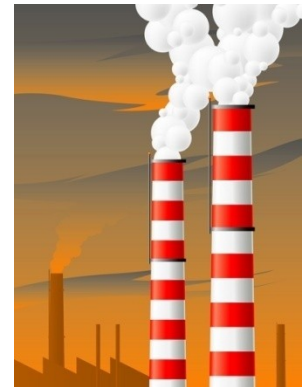
- Facilities & business personal property
- Workman's compensation
- Liability
- Life
- Health
- Disability
- Retirement



INSURANCE – continued (2)

Facilities and Business Personal Property:

- Business in your home
- Will need some business property coverage
- Rely on business insurance agent
- Separate business location
- Owned – replacement coverage for building & contents
- Rented – what does lease require



INSURANCE – continued (3)

Workman's Compensation:

- Required by law if you have employees
- Premiums & regulations by the state
- Cost will vary with type of work done by employees



INSURANCE – continued (4)

Liability:

- Product or professional liability
- Protect against injury to customers or clients on premises
- Auto



INSURANCE – continued (5)

Life, Health, Disability, Retirement:

- These coverages are potential benefits for your employees
- You will need to provide these coverages for yourself
- Help compete for good employees
- Can be expensive benefits

TECHNOLOGY

Technology Issues:

- Equipment
- Software
- Security
- Backup
- Website

TECHNOLOGY ISSUES

Continued (2)

Equipment:

- **Computers**
- **Printers/Scanners**
- **Network**
- **Wired**
- **Wireless**



TECHNOLOGY ISSUES

Continued (3)

Software:

- E-Mail
- Customer List
- Accounting
- Billing
- Financials
- Custom Software is Very Expensive



TECHNOLOGY ISSUES

Continued (4)

Security:

- **Protection from viruses and hackers**
 - Use of firewall
 - Use of protective software
- **Data protection**
 - Back up regularly without fail
- **Offsite storage of back up data**



TECHNOLOGY ISSUES

Continued (5)

WEBSITE:

- **Very Important for many businesses**
 - May be more important than yellow pages
 - Information only or doing business
- **Professional help will pay**
 - Getting recognized by searches
 - Ease of use
 - Tracking customer use of website



THE END

That's All for This Evening:

- **Reminder for more in depth information**
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 - Attend the SCORE Seminar “How to Really Start Your Own Business”
 - Access resources on www.score.org
 - Access resources on www.scorecr.org
- **Thank you for attending and good luck in business**

