Oregon START A BUSINESS Guide

Corporation Division

Secretary of State

FilingInOregon.com

Dear Oregon Entrepreneur,

Welcome to *The Oregon Start a Business Guide*.

The Secretary of State, Corporation Division presents several business information resources, including the Business Xpress portal and, of course, this guide. Many state agencies worked to provide information on government registration and licensing requirements for businesses. This guide provides basic information and a general checklist to guide you through the process of starting a business in Oregon. The guide also highlights business assistance programs that can help you as you begin and continue to operate your business.

For businesses that hire employees, the ***Oregon Employer's Guide*** provides a general checklist to guide you through government's requirements for Oregon employers.

Use the guides independently or together, depending on the specific needs of your business.

Please contact our office for further information:

Secretary of State, Corporation Division

Public Service Building
255 Capitol St. NE, Ste. 151
Salem, OR 97310-1327
(503) 986-2200

Corporation.Division@state.or.us

FilingInOregon.com

Business.Oregon.gov

PUBLICATION LIMITATIONS

The participating government agencies share all information allowed by law and help each other enforce compliance with the individual programs. If you have any questions about the material covered in this booklet, please contact the appropriate agency. Phone numbers are listed in each section, along with material provided by the agency. Information in this publication is not a complete statement of laws and administrative rules.

The State of Oregon has made every effort to ensure accuracy of the information at publication, but it is impossible to guarantee that the information remains continuously valid.

This publication is updated periodically; assistance with corrections and additions is welcome. Please email suggestions to the Business Information Center at Corporation.Division@state.or.us.

Secretary of State, Corporation Division

Business Information Center

Public Service Building

255 Capitol St. NE, Suite 151

Salem, OR 97310-1327

(503) 986-2200

Corporation.Division@state.or.us

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STARTING A BUSINESS CHECKLIST

Starting a successful business requires a great deal of preparation. The following is a list of recommendations to help you get your business off to a good start.

☐ **1. Preparation**

- ☐ Knowledge & Experience
- ☐ Research

☐ **2. Planning**

- ☐ Business Plan
- ☐ Seek professional advice
- ☐ Financing
- ☐ Business Assistance Programs

☐ **3. Select Your Business Name and Structure**

- ☐ Understand business structures
- ☐ Check business name for availability at Filinginoregon.com

☐ **4. Register Your Business at Filinginoregon.com**

☐ **5. Tax Information**

- ☐ Federal Taxes & ID Number
- ☐ State Taxes
- ☐ Local Taxes
- ☐ Property Taxes

☐ **6. Licensing**

- ☐ Check the Business Wizard at Filinginoregon.com
- ☐ Check License Directory - Oregon Licenses, Permits and Registrations

☐ **7. Other Requirements, if needed**

- ☐ Department of Environmental Quality
- ☐ Comply with ADA law
- ☐ Patents, Copyrights, and Trademarks
- ☐ Using music in your business
- ☐ Buying wholesale for your business

☐ **8. Hiring Employees**

- ☐ Review ***Oregon Employer's Guide***

☐ **9. Ongoing Registration Requirements**

- ☐ Renew business registrations, business licenses, and occupational licenses

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COMPREHENSIVE NEW BUSINESS CHECKLIST

STEP 1 – PREPARATION

Knowledge

You should have experience in and knowledge of the business you plan to enter. If you don't have either, consider working in the industry or with a successful owner/operator for at least six months.

Experience

Having prior experience in management of people and finances is critical to increasing your chances of business success. This is extremely helpful since the majority of businesses fail due to poor or inexperienced management. Oregon's Small Business Development Centers are an excellent resource for training and assistance to help your business succeed. See "Small Business Development Centers" in this guide for more information.

Research

Do your homework. Hours spent studying your proposed business idea can save you money in the long run and give you the proper information to make sound business decisions.

Oregon's Small Business Development Centers (SBDC) provide services to Oregon's small businesses. Find the SBDC in your area at bizcenter.org.

- Visit the Oregon Business Xpress one-stop business portal at Business.Oregon.gov.
- Check with the Small Business Administration at sba.gov.
- Consult with a counselor at score.org.
- Consult with a counselor at the Women's Business Center at mercycorpsnw.org.
- Consult with the Small Business Legal Clinic (SBLC) at Lewis & Clark Law School. They provide affordable legal services to low-income small and emerging businesses, including business financing, contract review and drafting, and entity selection and formation.
- University of Oregon's School of Law, Small Business Clinic (SBC) provides free legal services to small and start-up business. It also prepares law students to represent business clients through a clinical program in which students are trained in representing small businesses. All client work is performed by law students who are closely overseen by UO law SBC supervising attorneys, who are also practicing business lawyers. Contact the SBC at bizlaw.uoregon.edu/sbc.
- Your banker knows a great deal about your area, including average income, level of competition, real estate, and rental values. Bankers can be of great assistance, if you take the initiative. Establishing a credit line with your bank can help develop a sound relationship with your banker, and a good record of payment is an advantage when applying for business loans.
- Contact insurance brokers about coverage needed for your business activity and for approximate premiums. Since insurance is a competitive business, contact several agents for a comparison of both suggested coverage and premiums.
- Visit your local library. The librarian can help you find the information you need.
- Check with relevant trade associations and the local Chamber of Commerce.

STEP 2 – PLANNING

Business Wizard

The Business Wizard is an online service offered by the Secretary of State. You answer a few brief questions to generate a customized referral list of:

- Government Licensing Contacts.
- Registration Information Contacts.
- Regulatory Contacts.
- Organizational Contacts.
- City Contacts.
- County Contacts.

This referral list contains phone numbers for key agency contacts and internet links to appropriate forms, publications and information about requirements for doing business in Oregon.

Write a Business Plan

Whether you are just starting out or already own a small business, completing a basic business plan will help you succeed. Do you need help writing a business plan? The Small Business Administration (SBA) offers a step-by-step tool to "Build Your Business Plan." Answering a few essential questions will help you clarify and organize what you already know – or need to know – about your business operations. A clear picture of the fundamentals of your business will create a strong foundation to build new ideas, markets, and strategies. Completing a business plan provides you with a better understanding of the financial needs and profit potential of your business.

Seek Professional Advice

Consult at least two professionals:

- **An attorney** – Consider having an attorney examine the papers you sign. Get advice on any legal questions pertinent to your business such as tax law, liability issues, and labor laws if you plan to hire employees, or landlord-tenant laws if you plan to lease your place of business. If you do not have an attorney, you may call the Oregon State Bar toll-free at 1-800-452-7636, or visit online for referrals.
- **An accountant** – A certified public accountant or a licensed tax consultant can advise you and possibly save you money on taxes if you are buying or starting a business. Your accountant can review tax forms with you, help you fill out the proper reports and give you prompt financial information. If you do not have an accountant, you may call the Oregon Association of Independent Accountants at 503-282-7247, or visit oaia.net, or contact the Oregon Society of Certified Public Accountants at 503-641-7200, or visit orcpa.org for referrals.

Financing

Identify how you will finance your business. New businesses often underestimate the amount of money it takes to get a business started. An entrepreneur needs to identify both the start-up capital costs and the cash-flow requirements for a business. The total of the two, plus a reserve, is the capital recommended for starting a business. For more information on state loan programs and other tools to raise capital, check the financing sections of Business Xpress or Business Oregon.

Business Assistance Programs

The business assistance programs listed in this guide are divided into three broad categories: management and technical services, financial resources, and marketing and international trade assistance. However, some of the

programs provide assistance in more than one area. **Note:** This is not a complete list of resources available in Oregon; this list is intended to give you some initial contacts for assistance in these areas.

MANAGEMENT & TECHNICAL SERVICES

Business Xpress provides information and assistance to help you grow your business. Business Oregon provides reports and services for and about Oregon businesses.

Small Business Development Center (SBDC) Network

The Oregon Small Business Development Center Network provides a variety of services to the business community. Services include business counseling, training, and referrals, and are aimed at both new and ongoing businesses.

Small Business Development Centers (SBDCs) – located throughout the state - have classes that provide basic background information for individuals starting a business. SBDCs also offer publications and other resources that can be helpful. Additional assistance is available in the areas of international trade and technology transfer.

For more information on the services offered, call the SBDC Network Office or the SBDC in your area. There is an SBDC at each of Oregon's community colleges and at two other state educational institutions.

Oregon SBDC Network Office
1445 Willamette St. Suite# 5
Eugene, OR 97401
541-463-5250
541-345-6006 (fax)
bizcenter.org

Albany	Gresham	Milwaukie	Roseburg
Bend	Klamath Falls	North Bend	Salem
Clackamas	La Grande	Ontario	Seaside
Eugene	Lincoln City	Pendleton	The Dalles
Grants Pass	Medford	Portland	Tillamook

SCORE "Counselor to America's Small Business"

If you want individual counseling, contact the **closest** SCORE Chapter address listed below. When calling by telephone, please ask for "SCORE Counseling."

SCORE Chapter #11
601 SW Second Avenue, #950
Portland, OR 97204-3192
(503) 326-3441
(503) 326-2808 Fax
scorepdx@wa-net.com
portlandor.score.org

SCORE Chapter #566
Clark College
SCORE, TBG 232
1933 Fort Vancouver Way
Vancouver, WA 98663
(360) 699-1079
info@scorevancouver.org
ftvancouver.score.org

SCORE, Central Oregon Chapter #701
PO Box 6416
Bend, OR 97708
(541) 316-0662
office@centraloregonscore.org
centraloregon.score.org

SCORE Chapter #460
P.O. Box 4024
Salem, OR 97302-1024
(503) 370-2896
score460@gmail.com
salem.score.org

SCORE Chapter #416
c/o Chamber of Commerce
1401 Willamette Street
Eugene, OR 97401
(541) 465-6600
(541) 484-4942 Fax
score@eugenechamber.com
willamette.score.org

Electronic Counseling can be done via score.org

Oregon Business Development Department

The Oregon Business Development Department (doing business as 'Business Oregon') works to retain and create jobs in the state. In partnership with the private sector, the state's business development agency provides direct services such as access to capital, lean manufacturing consulting, assistance with international markets, business recruitment, and more.

The department offers information and a directory of primarily public sector sources to help customers with business plans and ideas about where to start looking for help. Those interested in doing business in Oregon should investigate private sources of assistance as well.

Business Oregon
775 Summer Street NE, Ste. 200
Salem, OR 97301-1280
503-986-0123
1-800-735-2900 (TTY)
oregon4biz.com

Contact Business Oregon's Development Officers

http://www.oregon4biz.com/directory.php?d=1

Clatsop, Columbia, Tillamook counties.....503-791-2732

Clackamas, Hood River, Multnomah, Wasco, Washington counties 503-229-5115

Baker, Grant, Malheur, Morrow, Umatilla, Union, Wallowa counties.....541-508-3147

Marion, Polk, Yamhill counties.....503-837-1808

Crook, Deschutes, Jefferson, Gilliam, Sherman, Wheeler counties.....541-318-7923

Clackamas, Multnomah, Washington counties 503-580-2680

Benton, Lane, Lincoln, Linn counties.....541-346-8620

Harney, Jackson, Josephine, Klamath, Lake counties 541-219-2825

Coos, Curry, Douglas counties 541-267-4651

Business Recruitment.....503-894-0160; 503-551-0997

Business Finance 503-986-0172

International Trade.....503-229-5221

Telecommunications.....503-508-0178

Emerging Business Assistance Programs

There are a number of organizations that offer assistance to small businesses with special emphasis on minority, women, and service disabled veteran-owned businesses. They provide resources for technical assistance and promote targeted economic opportunities for these businesses around the state.

Oregon Association of Minority Entrepreneurs (OAME)

The Oregon Association of Minority Entrepreneurs (OAME) is a non-profit organization that maintains a database of business opportunities, which are matched with its membership. The association has several loan programs available to members. They maintain a business incubator and conference rooms for meetings or events. For more information, contact OAME, 731 N. Hayden Meadows Drive, Portland, OR 97217, 503-249-7744, or visit oame.org.

Certification Office for Business Inclusion and Diversity (COBID)

The Certification Office for Business Inclusion and Diversity administers the Disadvantaged Business Enterprise, Minority and Women Business Enterprise, Service Disabled Veteran, and Emerging Small Business Certification programs. As the sole certification authority in Oregon, COBID provides "one-stop" certification services. These certification programs create a level playing field as they provide businesses the opportunity to bid on goal-oriented public projects, encouraging diversity and inclusion. COBID, a unit within Business Oregon, is located at 775 Summer Street NE, Ste. 200, Salem, OR 97301-1280, 503-986-0069, or visit oregon4biz.com.

ONABEN – A Native American Business Network

ONABEN, (Our Native American Business Network), founded in 1991, is a national non-profit organization that serves entrepreneurs and tribes throughout the Pacific Northwest. Since inception, ONABEN has been accomplishing its mission as a developer, facilitator, and content provider for a network of Tribally-sponsored Small Business Development Centers and projects. Its growth over the years mirrors the growth of entrepreneurship throughout Indian Country. ONABEN can be found online at http://www.onaben.org/.

Oregon Main Street

Oregon Main Street works with communities to develop comprehensive, incremental revitalization strategies based on a community's unique assets, character, and heritage. Services are based on the successful Main Street Approach® developed by the National Trust for Historic Preservation and include training and technical assistance. The goal is to build high quality, livable, and sustainable communities that will grow Oregon's economy while maintaining a sense of place.

The Oregon Main Street Program is located in the Oregon Heritage Office, Oregon Parks & Recreation Department, 725 Summer St. NE, Suite C, Salem, OR 97301; phone 503-986-0670.

Telecommunication Assistance

Business Oregon provides technical and training assistance, consulting, planning and financial assistance to rural and distressed communities to improve access to advanced services, route diversity, and increased bandwidth. For more information, contact 503-508-0178, or visit oregon4biz.com.

Small Business Legal Clinic (SBLC)

The Small Business Legal Clinic (SBLC), located at Lewis & Clark Law School, provides business transactional legal services to low-income small and emerging businesses, primarily those owned by women, minorities, or recent emigrants. As part of Lewis & Clark Law School, the SBLC provides valuable hands-on training to future business attorneys, while providing a service to those who need it most. Clients placed in the SBLC Intern Program work with upper-division law students who are closely supervised by a clinical law professor. For more information, visit online.

Mercy Corps Northwest

Mercy Corps Northwest provides small business support and training, as well as individual development accounts (IDAs) for qualified entrepreneurs. The Women's Business Center (WBC) at Mercy Corps Northwest works to assist motivated low-income women to improve their lives through starting or expanding a small business. The WBC provides funding, matched savings and other services that help clients increase their economic self-sufficiency through self-employment. Mercy Corps Northwest programs serve women, men, minorities and veterans.

Self Employment Assistance (SEA)

The Self Employment Assistance (SEA) program allows qualified unemployment insurance claimants to start or expand a business while receiving unemployment benefits. Approved participants then work full-time on their self-employment venture instead of looking for work. The income earned from your approved SEA business while on SEA will not reduce your weekly benefit amount. SEA is a program for unemployment claimants who are likely to exhaust their unemployment benefits before they can find work in their regular occupation. When you apply for SEA, your business idea is evaluated, and you must continue to seek work until you are approved for the program in writing. Please go to workinginoregon.org or contact the Training Programs Unit at the Oregon Employment Department at 1-800-436-6191.

Office of Small Business Assistance

The Office of Small Business Assistance serves as an independent voice for small businesses within state government. The Office's Small Business Advocate helps entrepreneurs by investigating and helping to resolve business complaints about state agencies.

Get Help

If you feel your business has been unfairly or unreasonably treated by a state agency and you've tried to resolve the issue without success, request help online, via email, or call the Office of Small Business Assistance toll-free at 1-844-469-5512.

Office of the National Ombudsman

The National Ombudsman's mission is to assist small businesses when they experience excessive or unfair federal regulatory enforcement actions, such as repetitive audits or investigations, excessive fines, penalties, threats, retaliation, or other unfair enforcement action by a federal agency.

Learn more about the Office of the National Ombudsman or file a complaint online.

Office of the National Ombudsman
409 3rd Street, SW, Suite 7125
Washington, DC 20416
Toll-free 888-734-3247
TTY 800-877-8339

FINANCIAL RESOURCES

Federal, state, and local governments provide some financial assistance to small businesses in the form of loan programs. These loan programs generally do not provide funds for more than 30-50 percent of a business proposal and the loan applicants must demonstrate that they have sufficient capital, in addition to the loan, to fund the business. Loan applicants should demonstrate repayment ability, sufficient management expertise, and commitment to operate the business successfully.

Many Oregon cities and counties have economic development programs, which include financial assistance. A business should contact the city and county in which they are located, or are interested in locating, for details of their programs.

The following is a list of some financial resources available to small businesses. Contact your local Small Business Development Center or local economic development agencies for additional information on financial assistance in your area.

Local Revolving Loan Funds

There are many revolving loan funds for small business financing administered by local governments and development groups. In most cases, funding has been provided by the Department of Housing and Urban Development through the State of Oregon or by the federal Economic Development Administration. For additional information, contact the U.S. Economic Development Administration at 503-326-3078.

Oregon Contacts for Revolving Loan Funds

Portland Development Commission

1900 SW Fourth Ave Suite 100
Portland, OR 97201
503-823-3201

Cascades West Financial Services, Inc.
100 High St. SE, Ste. M-210
Salem, OR 97301
503-990-6860

CD Business Development Corporation

744 SE Rose Street
Roseburg, OR 97470
541-672-6728

Southern Oregon Regional Economic Development Inc.

332 West Sixth St.
Medford, OR 97501
541-773-8946

Mid-Columbia Economic Development District

515 East Second Street
The Dalles, OR 97058
541-296-2266

Central Oregon Intergovernmental Council

334 NE Hawthorne Avenue
Bend OR 97701
phone 541-548-8163

Oregon Cascades West Council of Governments

1400 Queen Ave SE Ste 201
Albany, OR 97322
541-967-8720

NE Oregon Economic Development District

101 NE First St Suite 100
Enterprise, OR 97828
541-426-3598
1-800-645-9454

SBA Loan and Loan Guarantee Programs

The U.S. Small Business Administration (SBA) is a federal agency created by Congress to help small businesses. The SBA offers small firms financial assistance through guaranteed loan programs. To obtain information on the loan programs, contact the U.S. Small Business Administration, 601 SW Second Ave, Suite 950, Portland, Oregon 97204-3192, call 503-326-2682, or visit SBA online.

The SBA also sponsors programs, which provide business counseling and assistance with business development, international trade, and obtaining government contracts. In addition, the SBA furnishes assistance for women and minorities in business.

Business Development Assistance

Business Oregon focuses on creating opportunities for Oregon companies. These opportunities pave the way for businesses to expand production, enter new global markets, and compete and win in the global economy. Whether through its own programs and expertise, or by matching clients with specialized partners, Business Oregon's job is to support Oregon business. Business Oregon has business development officers located across the state to work closely with businesses and local officials. Business Oregon helps businesses access capital, find industrial property, export to global markets, and identify available business incentives. Staff have a wealth of experience to do all this and help identify what programs or assistance are best suited to help grow Oregon's industries. For more information, call 503-986-0123 or visit oregon4biz.com.

Small Business Assistance

Business Oregon works with entrepreneurs and small businesses in Oregon to increase their potential for success. The department coordinates with venture funds, entrepreneurial organizations, and service providers by helping them to access different sources of equity capital. It facilitates improved communications and linkages among various providers of services, including small business development centers, government contracts, marketing, minority business, and other small business organizations. For information, call 503-986-0123, or visit oregon4biz.com.

Access to Markets

Business Oregon's global trade strategists and overseas representatives can open the door for Oregon companies to market their goods and services internationally. Oregon businesses require a wide variety of tools and resources to remain profitable in an increasingly competitive technologically complex global economy. Business Oregon's global strategies experts help Oregon companies' access international markets by providing one-on-one business counseling, market research, market entry strategies, and grants to help companies appear at international trade shows. For more information, visit oregon4biz.com.

Other export-related resources include:

- U.S. Government contracts: 541-736-1088
- Oregon state government contact: 503-378-4642
- Getting started in international trade: 503-274-7482
- Exports of agricultural products: 503-872-6600

Access to Capital

Business Oregon has a team of professionals to assist businesses with their financing needs by packaging loan programs or by matching a partner service provider with a business. For more information call 503-986-0172 or visit oregon4biz.com.

Fixed asset and working capital loans are available through regional and local economic development organizations, the Small Business Administration, and state agencies. For more information, please call:

- Small Business Administration loan guarantees: 503-326-2682.

Oregon SBDCs offer assistance access to capital throughout the state. Visit http://bizcenter.org/240-capital-access-team

Oregon's Intrastate Offering Exemption, aka "Community Public Offering" (CPO)

Most Oregon small businesses may raise up to $250,000 in capital per year through the intrastate sale of securities to Oregon residents. Oregon residents may invest up to $2,500 in any company with an active CPO per year. The securities are offered through Hatch Oregon and Chroma.Fund.

For more information about using a CPO to raise capital for your business, check online. You can find a current list of business filings online, as well.

MARKETING & INTERNATIONAL TRADE

Business Oregon

Business Oregon's global trade strategists and overseas representatives can open the door for Oregon companies to market their goods and services internationally. Oregon businesses require a wide variety of tools and resources to remain profitable in an increasingly competitive and technologically complex global economy. Our global strategies experts help Oregon companies' access international markets by providing one-on-one business counseling, market research, market entry strategies, and grants to help companies appear at international trade shows.

For more information, visit oregon4biz.com.

Government Contract Assistance Program

The Government Contract Assistance Program (GCAP) is Oregon's Procurement Technical Assistance Center (PTAC), helping businesses successfully compete for federal, state and local government contracting. GCAP provides 1) free counseling on every aspect of government contracting, 2) training workshops and conferences, and 3) a computer matching service that automatically matches a business with related federal, state, and local bidding opportunities and emails the leads on a daily basis. For example, if an Oregon business manufactures a product or provides a service, the GCAP bid-matching service emails the small business every time a solicitation matches their profile from any federal, state, local, or international government agency. GCAP offers the bid match service free for a 60-day trial, then, after the trial, it charges an annual subscription fee.

GCAP provides training for your business on many topics, including registrations and certification, market assessment, solicitations, bids, and proposals, and the potential of getting your business on a GSA schedule. For more information. contact GCAP, 1144 Gateway Loop, Suite 203, Springfield, OR 97477; visit the website at gcap.org; or call 541-736-1088 or 1-800-497-7551.

OSBDCN Global Trade Center

Oregon SBDC's offer assistance in international trade and export resources through the OSBCN Global Trade Center at the Portland Community College SBDC. Visit http://bizcenter.org/go-global/how-can-we-help

Agricultural Products Marketing

The Oregon Department of Agriculture works to promote, develop, and expand domestic and international markets for Oregon's agricultural products. The staff works with producers, cooperatives, and processors; organizes overseas trade missions, and hosts incoming foreign business delegates. For more information, contact them at:

Oregon Department of Agriculture
Agricultural Development and Marketing Division
1207 NW Naito Parkway, Suite 104
Portland, OR 97209-2832
503-872-6600; Fax: 503-872-6601
Agmarket@oda.state.or.us.

The Oregon Department of Agriculture also produces the Oregon Agripedia, which combines the information of the Oregon Agricultural Statistics Bulletin, the Oregon Farmer's Handbook, and the Oregon Agricultural Resource Directory into one handy reference for Oregon agriculture facts, laws, and resources. Visit online to view the Oregon Agripedia.

Portland Export Assistance Center

The Portland Export Assistance Center helps companies in Oregon and SW Washington who want to increase their export sales and expand into the global marketplace. The Export Center is a quick access point for all federal export assistance programs and offers business counseling in the following areas: information on markets abroad, international contacts, product promotion and export financing, and SBA export loan guarantees.

U.S. Department of Commerce, Commercial Service offers

- Research and counseling on identifying appropriate international markets.
- Identifying potential international agents and distributors.
- Participating in international trade exhibitions.
- Qualifying international business partners.
- Developing international documentation.
- E-Commerce Services.

Export Assistance Center, Portland
One World Trade Center
121 SW Salmon Street, Ste. 242
Portland, OR 97204
(503) 326-3001

U.S. Small Business Administration offers

- Research and counseling on identifying methods, strategies and programs.
- SBA loan application information to finance export sales of small business exporters.
- Loan packaging services for SBA's Export Working Capital Program applications.
- Information on export credit insurance programs and brokers' contact list.

Oregon District Office
620 SW Main Street Suite 313
Portland, OR
Phone: 503-326-2682
Fax: 503-326-2808

STEP 3 – SELECT YOUR BUSINESS ORGANIZATION STRUCTURE & NAME

Consider many factors when choosing the best form or structure of business ownership. The choice you make can have an impact on multiple aspects of your business and personal life, including taxes and liability. Consult legal counsel and an accountant before deciding the type of business entity to form.

How To Choose A Business Structure

While there are many different business organization structures you may choose for your business, this guide will focus primarily on the five most common types used in Oregon: Sole Proprietor, General Partnership, Limited Liability Company, Business Corporation, and Nonprofit Corporation.

Ownership, liability, management control, and taxation are just a few of the primary considerations when selecting a business organization structure. Each type has its own advantages and disadvantages. If you have questions on which structure is best for your particular situation, please consider consulting:

- An attorney.
- A certified public accountant.
- One of Oregon's Small Business Development Centers.
- If business is in a regulated industry, contact the appropriate State licensing or regulatory agency.

Benefit Companies

An Oregon Business Corporation, Professional Corporation or Limited Liability Company can also elect to become a Benefit Company.

An Oregon Benefit Company is a type of corporation or limited liability company (LLC) that wants to consider its impact to society and the environment, in addition to profit, in the business's decision-making process. Benefit companies differ from traditional corporations and LLC's in regard to their purpose, accountability, and transparency.

The purpose is to create a general public benefit, which is defined as "a material positive impact on society and the environment, taken as a whole, from the business and operations of the company."

An Oregon Business Corporation, Professional Corporation, or Limited Liability Company that would like to be a benefit company must:

- Include a statement (usually in the optional provisions) in the Articles of Incorporation or Organization that says, "The Corporation (or Limited Liability Company) is a benefit company subject to ORS 60.750 – ORS 60.770."
- Adopt a third-party standard to assess performance against, and
- Annually prepare a benefit report identifying the actions and methods used to provide a general or specific public benefit, any circumstances that hindered or prevented a benefit, and assess how well the benefit company met or exceeded the third party standard.

For more information on becoming an Oregon Benefit Company, please visit http://sos.oregon.gov/business/Pages/benefit-company.aspx.

Business Organization Structure Types

	SOLE PROPRIETOR	GENERAL PARTNERSHIP	LIMITED LIABILITY COMPANY	BUSINESS CORPORATION	NONPROFIT CORPORATION
REGISTRATION REQUIRED [1]	Not required, except for Assumed Business Name	Not required, except for Assumed Business Name	Yes, File Articles of Organization & annual reports	Yes, File Articles of Incorporation & annual reports	Yes, File Articles of Incorporation & annual reports
GOVERNING DOCUMENT [2]	A business plan is recommended	Partnership agreement	Operating agreement	Bylaws	Bylaws
OWNERSHIP	One owner	Two or more partners (owners)	One or more members (owners)	One or more shareholders (owners)	No owners. Assets must be given to another nonprofit upon dissolution
LIABILITY [3]	Unlimited personal liability for debts of the business and yourself	Unlimited personal liability for debts of the business including your partners actions	Members (owners) have limited liability for debts of the LLC	Shareholder liability limited to loss of their paid-in investment	Operators are not personally liable for debts of the business
MANAGEMENT CONTROL [4]	Owner makes decisions	Partner control and decision making responsibility set out in partnership agreement	Member managed, or owners may appoint a manager per the Articles of Organization	Shareholders elect directors to oversee policies and appoint officers	May have members who may elect directors; Must have directors to oversee policies and appoint officers
TAXATION [5]	Owner reports and pays taxes on personal tax return	Each partner reports and pays share of taxes, on personal tax returns	Choose to be taxed as a partnership or a corporation for income	Corporation pays taxes on income; shareholders pay taxes on dividends	Nonprofit pays taxes on income, unless tax exempt

Choose a Business Name

What Names Are "Available"?

Your selected business name must be available for registration purposes, meaning no other business with exactly the same name has an active registration on the Corporation Division's database. There may be businesses with that name that have let the registration lapse or expire. There may be businesses in other Oregon counties, states, or countries that do business under that name. There may even be businesses in Oregon that are operating under that name, but have not yet registered. The Corporation Division's records do not include every business that may be using a name. If the name is not already taken by an active registration on the database, it is available for you to register in the public record. That said, just because a name is "available" does not mean that registering the name is advisable. See the section on "Protecting and Defending Your Name" for more information.

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[1] Assumed business name registration required when owner's "real and true" name is not part of the business name (**Note:** corporation and limited liability company name is the "real and true" name).
[2] Governing documents are internal to the business, they are not filed with the Corporation Division.
[3] Limited liability protection may be forfeited by the courts in cases of fraud or misconduct.
[4] Charities (public benefit nonprofit corporations) must have at least three directors.
[5] Additional business, payroll and property taxes may also apply

The law requires the Secretary of State to accept names that are "distinguishable upon the record." A business name is "distinguishable" if it does not exactly copy a name already on record. A word, the order of key words, addition of numbers, creative spelling, or even a letter's difference in a name is often enough to tell it apart from another name in the database and make it distinguishable. In addition, an assumed business name is filed according to county, so there may be identical names in the database but associated with different counties.

You can check a name for availability prior to submitting an application. A name availability check does not guarantee the name will still be available by the time the Corporation Division processes the application.

What Are "Real and True" Names?

A "real and true" name means the first name, middle name or initial, and last name of each business owner. For corporations, limited liability companies, and other business entities, the business name registered with the Corporation Division is the real and true name of the business.

Assumed Business Names

A business name must be registered with the Corporation Division as an assumed business name if the "real and true" name of each person who is carrying on the business is not disclosed in the business name. Each person's "real and true" name must include first name, middle name or initial, and last name. Nicknames are not 'real and true' names and must be registered as assumed business names. If there are words that suggest additional owners, such as "company" or "associates", the business name must be registered.

Registration of a business name that includes the "real and true" names of all owners is optional. A corporation, limited liability company, limited liability partnership, or limited partnership does not need to register its name as an assumed business name, unless the entity wants to use the name without the entity type designation.

If a person transacts business with an unregistered assumed business name, he or she may not have standing in court to pursue or defend legal actions, and may find it difficult to do business, for example, getting licenses, opening bank accounts, and entering into contracts.

Since an assumed business name is registered by county, there may be identical names in the database but associated with different counties.

Examples of Assumed Business Names		
Real and True Name	**Doing Business As**	
	Don't Need to Register ABN	**Need to Register ABN**
Tom Sorenson Construction, Inc.	Tom Sorenson Construction, Inc.	Tom Sorenson Construction Tom Sorenson Homes TSC Homes
Jane Jean Jones	Jane Jean Jones Enterprises Jane J. Jones Enterprises	Jane Jones Enterprises Jane's Enterprises Jones Enterprises Jane J. Jones & Company Jane Jones & Associates
Michael Leonard Jones John Jay Smith	Michael L. Jones & John Jay Smith Michael Leonard Jones & John J Smith Michael L Jones & John J Smith Michael L. Jones & John J. Smith Enterprises	Michael Jones & John Smith Mike Jones & John Smith M. Jones & J. Jay Smith M. Jones & J. Smith Jones & Smith M & J Enterprises

- **Sole Proprietor -** If the name of the business does not include the "real and true" name of the business owner, registration of an assumed business name is required. See the previous section on assumed business names for more information.
- **General Partnership -** If the name of the business does not include the "real and true" name of each business owner, registration of an assumed business name is required. See the previous section on assumed business names for more information.
- **Limited Liability Company -** The name of the limited liability company must contain the words "limited liability company" or the abbreviation "L.L.C." or "LLC" as the entity type designation at the end of the name.
- **Corporation -** The name of the corporation must contain the words "incorporated," "corporation," "limited," "company," or their abbreviation as the entity type designation at the end of the name.

Note: The corporation or limited liability company name registered with the Corporation Division is the "real and true" name of the business, so additional registration as an assumed business name is not required, unless the entity wants to use the name without the entity type designation, or wants to use a nickname.

Protecting and Defending Your Business Name

Registering your name does not give you the right to use it.

The law requires business owners to register a public record of assumed business names and entities such as corporations, but the authority to use the name comes only through asserting those rights through use and legal action.

Registering your name **does not** mean you can legally use it. For example, you might be able to register "Starbucks Coffee and Tea" with the Corporation Division, but the real Starbucks could still sue you. In addition, someone may register a business name that is similar to yours, but not exactly the same. That does not suggest they have a right to use that name, it just means they have told the public they want to do business using that name.

Your right to your business name is mainly established by using the name in business, and is enforced by private legal action – **not** by the State of Oregon. This may mean you will need to sue in court to stop the offender.

If you find yourself in this situation, it is very important to get the advice of an attorney. Consider what the loss of business and reputation will cost you if you do not get proper advice. If you weigh the time and expense it will take to straighten out mix-ups with the other business against a visit or two to a lawyer, you will have a better idea of just how valuable a consultation might be.

To find a business attorney, check the Oregon Bar Association's free referral service at 1-800-452-7636, or ask other business owners whom they recommend.

When you are ready to select a business name or an assumed business name for your business, check the Business Registry database for name availability. Sole proprietors may conduct business under their own full legal name (first name, middle name or initial, and last name) or they may choose to register an assumed business name. See "Business Name Requirements" in this guide for more information. It may also be helpful to do a national trademark search at uspto.gov (click on the Search Mark button). You can view more information on trademarks in the back of this guide.

STEP 4 – REGISTER YOUR BUSINESS

The Oregon Secretary of State, Corporation Division is the place to register your Business Corporation, Nonprofit Corporation, Limited Liability Company, Limited Liability Partnership, and Assumed Business Name. Most business types can be filed online through the Oregon Business Registry. Forms are also available online.

BUSINESS REGISTRATION & RENEWAL

Register Online	For the fastest and most convenient way to register a business in Oregon, register online.
Renew Online	For the fastest and most convenient way to renew a business in Oregon, renew online.
Express Delivery	Documents delivered to the Corporation Division at the address below, by express delivery companies such as FedEx or UPS, are processed within one business day.
US Mail	Please allow one to two weeks for processing documents submitted by mail (including US Postal Service overnight mail and Express Mail).

Forms to register are also available online. Submit the completed form and the non-refundable processing fee, payable to the Corporation Division, to the following address:

Corporation Division
Public Service Building
255 Capitol Street NE, Ste. 151
Salem, OR 97310-1327

Sole Proprietor Registration

A sole proprietor does not have to register with the Corporation Division, unless an assumed business name is used. See assumed business name registration below for more information.

General Partnership Registration

A general partnership does not have to register with the Corporation Division, unless an assumed business name is used. See assumed business name registration below for more information.

Assumed Business Name Registration

To register an assumed business name, submit an assumed business name application and a non-refundable processing fee of $50 to the Corporation Division. The name must be registered in at least one Oregon county, but you can register for all Oregon counties for no additional charge.

If the name is distinguishable and the application completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online ***Fastest way to file***
Forms for mailing

Limited Liability Company Registration

To form a domestic limited liability company in Oregon, submit articles of organization and a non-refundable processing fee of $100 to the Corporation Division.

If the name is distinguishable and the articles completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online ***Fastest way to file***
Forms for mailing

Business Corporation Registration

To form a domestic business corporation in Oregon, submit articles of incorporation and a non-refundable processing fee of $100 to the Corporation Division.

If the name is distinguishable and the articles completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online ***Fastest way to file***
Forms for mailing

Nonprofit Corporation Registration

To form a domestic nonprofit corporation in Oregon, submit articles of incorporation and a non-refundable processing fee of $50 to the Corporation Division.

If the name is distinguishable and the articles completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online ***Fastest way to file***
Forms for mailing

Foreign Business Entity Registration

Business entities formed under Oregon law are called domestic business entities, while those formed under the laws of another state or country are called foreign business entities.

When a foreign entity is "doing business" in Oregon, it must apply for authority to transact business by submitting:

1) an application of authority to transact business,

2) a certificate of existence or similar document, or registry number from the state or country where formed (date of certificate must be within 60 days of the date of application), and

3) a nonrefundable processing fee of $275 payable to the Corporation Division.

If the name is distinguishable and the application completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online (Foreign Business Corporations and Foreign Limited Liability Companies only)

Forms for mailing

STEP 5 – UNDERSTANDING TAX OBLIGATIONS

Understanding your tax obligations is an important consideration for any business. You may wish to consult with a professional tax advisor or an accountant to help you understand your tax obligations.

Learn about requirements to report personal property (the physical capital owned by your business) to your county assessor's office. See the section below on Business Personal Property Tax. You will also want to check on other taxes that may apply to your business.

Most businesses will need to apply to the Internal Revenue Service for a federal employer identification number (EIN). See the Income Tax section in this guide for more information on federal and state income taxes.

If you plan to hire employees right away, you may also need a Business Identification Number (BIN), which is your state payroll tax identification number. Obtain this payroll tax reporting number online through the Oregon Business Registry or by completing a Combined Employer's Registration form available from the Oregon Department of Revenue or the Oregon Employment Department. Please refer to the separate publication ***Employer's Guide for Doing Business in Oregon*** for more information.

All businesses are required to file a personal property report with the county assessor's office each year. The report should include all personal property on the business premises on the assessment date. If your business has personal property in more than one county, you must submit a separate return in each county. See "Personal Property Tax Report" in this guide for more information.

As a self-employed individual, you may be subject to federal self-employment taxes if you are a sole proprietor or a partnership. This includes Medicare and social security taxes. You may wish to consult a professional tax advisor to determine your personal tax responsibility as a business owner.

Apply for Tax Identification Number (SS-4)

To obtain a Federal Tax Identification Number, you can file online or complete an SS-4 Form. SS-4 Forms are available at all IRS offices or the IRS will send you a form, if you call 1-800-829-3676. Be sure you include a daytime phone number on the application, in case additional information is required.

Online: A provisional number will be assigned immediately when the form is submitted online. A confirmation letter will be mailed two to three weeks after the form is processed confirming your EIN number.

Phone: 1-800-829-4933

You will need a completed SS-4 in hand

Fax: You can fax the completed Form SS-4 (PDF) application to your state fax number (see Where to File – Business forms and filing Addresses), after ensuring Form SS-4 contains all of the required information. If it is determined the entity needs a new EIN, one will be assigned using the appropriate procedures for the entity type. If the taxpayer's fax number is provided, a fax will be sent back with the EIN within four (4) business days.

Mail: **Internal Revenue Service**
Attn: EIN Operation
Cincinnati, OH 45999
Fax-TIN (859) 669-5760
You will receive your EIN by mail in four to five weeks.

Sales Tax Information

Oregon does **not** have a state sales tax. The Department of Revenue has created a website for questions about sales tax information that includes a self-authenticating "Resale Certificate" that business owners can fill out to use for buying wholesale or for exemption of sales taxes on goods purchased in another state.

Income Tax Information

Federal and State Income Taxes

All businesses must fulfill their tax obligations to the federal government and the state of Oregon. When you start a business, it is important to determine what kind of tax obligations you will have and when you will be required to pay your taxes.

This section identifies the federal and state tax forms filed by different types of business entities to meet their income tax obligations. However, for specific requirements and responsibilities, contact the Internal Revenue Service and the Oregon Department of Revenue.

For information on federal taxes, contact:

Internal Revenue Service
1220 SW Third Avenue
Portland, OR 97204
1-800-829-4933 in Oregon
irs.gov

For information on Oregon taxes, contact:

Oregon Department of Revenue
955 Center Street NE
Salem, OR 97301-2555
503-378-4988
1-800-356-4222
oregon.gov/DOR

Income Tax for Sole Proprietors

Sole proprietors must file Form 1040 with a Schedule C or Schedule C-EZ to meet their federal income tax obligations. A sole proprietor is liable for self-employment tax and Social Security tax, which is filed on Schedule SE if net profit is $400 or more.

To meet state obligations, a sole proprietor files state Form 40 with an attached copy of the federal Form 1040. A sole proprietor may be required to make estimated tax payments. A non-resident sole proprietor files state Form 40N with an attached copy of the federal Form 1040.

Income Tax for Partnerships

Federal tax law requires that a partnership (both general and limited) file Form 1065, and each partner receives a Schedule K-1 explaining how to place income, expenses, credits, etc., on their personal Form 1040 tax return. To meet state tax obligations, a partnership files Form 65 with an attached copy of the federal filing.

Individual partners file Form 1040 for federal income taxes and may be liable for self-employment taxes and Social Security taxes filed on Schedule SE if net income from the partnership is $400 or more. For state income taxes, the individual partners file state Form 40 with an attached copy of the federal Form 1040. Partners may be required to make estimated tax payments. Non-resident partners should contact the Department of Revenue for instructions specific to their need.

Income Tax for Limited Liability Companies

Generally, a limited liability company (LLC) files the same tax forms as a partnership: federal Form 1065 and state Form 65 with an attached copy of the federal filing. Write "LLC" on top of the state Form 65.

Individual members file Form 1040 for federal income taxes and may be liable for self-employment taxes and Social Security taxes filed on Schedule SE, if net profit is $400 or more. For state income taxes, the individual members file state Form 40 with an attached copy of the Federal Form 1040. Members may be required to make estimated tax payments.

Income & Excise Tax for Oregon Corporations

Corporations file federal taxes using Forms 1120 or 1120A. Corporations doing business in Oregon pay excise tax and file state Form 20 with an attached copy of their federal tax forms. "Doing business" is defined as being engaged in any profit-seeking activity in this state that is not protected by federal Public Law 86-272. A taxpayer with one or more of the following in Oregon is clearly doing business here:

- A stock of goods.
- An office.
- A place of business (other than an office) where affairs of the corporation are regularly conducted.
- Employees or representatives providing services to customers as the primary business activity, such as accounting or personal service, or services incidental to the sale of tangible or intangible personal property, such as installation of a product or warranty work.
- An economic presence through which the taxpayer regularly takes advantage of Oregon's economy to produce income.

Generally, if you have an Oregon address, you file Form 20. There is a minimum excise tax as provided in ORS 317.090.

Corporations not doing business, but having income from an Oregon source, pay income tax and file Form 20-I with a copy of their federal tax forms. There is no minimum income tax. Income is from an Oregon source if it is derived from:

- Tangible or intangible property located in Oregon; or
- Any activity carried on in Oregon, whether intrastate, interstate or foreign commerce.

Insurance companies, other than title insurers, file Oregon Form 20-INS. Title Insurers file Oregon Form 20.

For information on state tax credits for corporations, contact the Oregon Department of Revenue online or by phone 503-378-4988.

Income & Excise Tax for S Corporations

An S corporation files its federal tax return on Form 1120S. Shareholders receive a Schedule K-1 explaining how to place income, expenses, credit on their personal return Form 1040. The state tax return is filed on Form 20-S with a copy of Federal Form 1120S attached. Shareholders of the S corporation should obtain information on their reporting requirements from the IRS and the Oregon Department of Revenue.

Estimated Income Tax Payments (Individual)

A sole proprietor, partner, limited liability company member, or shareholder may be required to make quarterly estimated income tax payments. In most cases, if you expect to owe at least $1,000 in federal taxes for the year after subtracting any withholding and tax credits, you must file Form 1040-ES each quarter with the IRS. Or, taxes can be paid using the free Electronic Federal Tax Payment System (EFTPS). Generally, if you expect to owe $1,000 or more on the tax-to-pay line on your Oregon tax return, you are required to file Form 40-ESV each quarter with the Oregon Department of Revenue. Interest is assessed if payments are not made when they are due. Contact the IRS and the Oregon Department of Revenue for specific information.

Estimated Income Tax Payments (Corporations)

A corporation that expects to owe tax of $500 or more at the federal level is required to make estimated tax payments to the IRS. A corporation that expects to owe tax of $500 or more at the state level must pay estimated tax payments to the Oregon Department of Revenue. A taxpayer can make estimated tax payments by Electronic Federal Tax Payment System (EFTPS). If a corporation is required to use EFTPS to pay its federal estimated tax, it must also use EFT to pay its Oregon estimated tax. A corporation may pay Oregon estimated tax with **Form 20-V**, if it is not required to pay by EFT. Interest is assessed if the correct installment of the tax due is not paid by the due date.

More information about paying corporation estimated income and excise taxes by EFT is available online, or call the EFT message line at 503-947-2017.

Personal Property Tax Report

Personal Property

All businesses are required to file a personal property report with the county assessor's office each year. The report should include all personal property on the business premises on the assessment date. If your business has personal property in more than one county, you must submit a separate return in each county. The personal property tax form can be found online. The form itself contains more information on what property is and is not subject to tax and how to file, or you can find information online at

https://www.oregon.gov/DOR/forms/FormsPubs/personal-property-return_553-004_2016.pdf.

Examples of taxable personal property include machinery, furniture and equipment, tools of the trade, non-inventory supplies, leased equipment, and libraries (such as repair manuals, sample books and law books). Any property not currently used in the business or expensed on your federal income tax business return is considered taxable personal property and must be reported. Property placed in storage is also taxable and must be reported.

Before You Buy - If you are purchasing used personal property from another business, you should check to see if there is any tax owing on the property before purchasing it.

Complete due diligence before you buy used business personal property or risk ending up with a previous owner's tax debt.

Due Diligence: 3 Steps in 3 Days

Complete within 3 days of purchase to protect your interests:

1. Ask the seller for a signed and dated disclosure statement printed on company letterhead. It should contain the following information. (If the seller doesn't have this information, they should say so in the disclosure.)

    a. Whether there is tax debt and/or liens associated with the personal property;

    b. The name of any Oregon county in which the personal property has been assessed, other than the county where purchase is taking place.

    c. The name and address of any other person who has owned or had possession or control of the property; and

    d. The fact that ORS 311.641, regarding due diligence to achieve bona fide purchaser status, may apply to the transaction.

2. Contact the tax clerk in the Oregon county where the purchase is taking place. Ask if there are tax liens against the property you want to purchase. If multiple counties are listed in the seller's disclosure statement, contact the tax clerk in all listed counties.

3. Search the Oregon Secretary of State's UCC system with the name of the previous owner(s). Print the results of your search.

Keep the results of your three-step due diligence process. If you find tax debt associated with the property, you can 1) opt not to purchase; 2) ask the seller to clear the debt/lien prior to purchase; or 3) discuss alternative payment arrangements with the county, such as a compromise payment to settle the lien.

Learn More

You can contact your tax professional, county tax assessor or the Secretary of State's Office of Small Business Assistance with questions. County tax assessors and the Office of Small Business Assistance cannot provide legal or financial advice.

Other Business Taxes

Federal Taxes

Some federal taxes apply to specific commodities, products or services. To determine if there are other federal taxes that apply to your business activity, check with the Internal Revenue Service at 1-800-829-4933.

State Taxes

For information on state withholding taxes, contact the Oregon Department of Revenue by phone at 503-945-8091 or 1-800-356-4222, by email at payrollhelp.or@state.or.us, or on the internet.

For information on state Unemployment Insurance taxes, contact the Oregon Employment Department by phone at 503-947-1488, by email at taxinfo@emp.state.or.us, or on the internet.

For information on the Workers' Benefit Fund assessment, contact the Department of Consumer and Business Services by phone at 503-378-2372, by email at wbfassess.fabs@state.or.us, or on the internet. .

Additional State Taxes

1) Amusement device tax – paid by owners of establishments with Oregon Lottery video poker machines. Contact the Oregon Department of Revenue at 503-945-8247.
2) Alcoholic beverages – contact the Oregon Liquor Control Commission at 503-872-5166 or toll-free in Oregon at 1-800-452-6522.
3) Cigarette tax and tobacco products tax – paid by distributors, manufacturers, and consumers of cigarettes and tobacco products in Oregon. Visit the Oregon Department of Revenue or call 503-945-8120.
4) Dry cleaning fee – paid by owners of dry cleaning businesses and "dry" stores. Contact DEQ at 800-452-4011.
5) Dry cleaning solvent tax – paid by owners of dry cleaning businesses and distributors of dry cleaning solvents. Contact DEQ at 503-229-6240.
6) Emergency communications (9-1-1) tax – telephone and cellular companies providing telecommunication with access to the Oregon 9-1-1 Emergency Reporting System collect this tax from their customers. Visit the Oregon Department of Revenue or call 503-945-8247.
7) Forest products harvest tax – paid on timber cut from any land in Oregon. Visit the Oregon Department of Revenue.
8) Gasoline taxes – paid by persons licensed to operate as motor vehicle fuel dealers in Oregon. Contact the Oregon Department of Transportation, Fuels Tax Group at 503-378-8150.
9) Hazardous substance fee – paid by possessors of non-petroleum hazardous substances. Visit the Oregon State Fire Marshal.
10) Lane Transit District Self-Employment tax (LTDSE) – paid by business owners with business activity in the Lane County Transit District. Visit the Oregon Department of Revenue.
11) Petroleum load fee – paid by sellers of petroleum products from Oregon bulk facilities and importers of petroleum products into Oregon. Visit the Oregon Department of Revenue or call 503-945-8247.
12) Recreational marijuana tax – contact the Oregon Department of Revenue at (503) 947-2597.
13) Timber privilege tax – paid by timber owners on harvested timber's value. Visit the Oregon Department of Revenue .
14) TriMet Self-Employment tax (TMSE) – paid by business owners with business activity in the TriMet Transit District. Visit the Oregon Department of Revenue.
15) State lodging tax – collected by lodging providers, paid by guests. Visit the Oregon Department of Revenue or call 503-945-8247.

16) Public utilities, owned by investors and operating within Oregon, contact the Public Utility Commission at 503-378-6600 about the annual fee.

17) Weight-mile taxes paid by for-hire and private motor carriers operating into, within, and through the state of Oregon – contact the Oregon Department of Transportation, Motor Carrier Transportation Program at 503-378-5849 .

Local Taxes

Local governments in Oregon may collect other specific taxes, such as a hotel-motel tax. Contact the city and county in which your business is located for complete information on local taxes.

If you are self-employed and have business activity in the TriMet area (Portland) or Lane Transit District area (Eugene), you may be liable for the TriMet or Lane Transit District Self-Employment Tax. For more information, visit the Oregon Department of Revenue. You may also direct your questions by email to payroll.help.dor@state.or.us.

STEP 6 – CHECK LICENSES

Many occupations and business activities require special licenses, permits, registrations, or certifications from state agencies or boards.

Check State & Local License Requirements

License Requirements

The State of Oregon does not have a general business license. However, many occupations and business activities require special licenses, permits, or certifications from state agencies or boards. The State of Oregon offers a searchable online License Directory containing information on how to acquire a license, registration, certification, or permit. This is a comprehensive directory of over 1,100 licenses, permits, registrations, and certifications. In addition, the Business Information Center's "Business Wizard" provides information on state and local license requirements based on business activity, and location. These online services are available at:

License Directory **Business Wizard**

Cities and counties may require a license for businesses operating within their jurisdictions. If your business is located within the city limits, check with your city offices to see if a local business license is required. If there is no specific listing for business licenses, the city hall information number is an appropriate initial contact.

Licensing offices for the following cities are:

Eugene Building & Permit Services

99 W 10th Ave., Ste. 240
Eugene, OR 97401
541-682-5379

Salem Permit Application Center

555 Liberty St. SE, Room 320
Salem, OR 97301
503-588-6256

Medford Building Department

City Hall Lausanne Annex
200 S. Ivy Street
Medford, OR 97501
541-774-2350

Portland Bureau of Licenses

111 SW Columbia St., Ste. 600
Portland, OR 97201-5840
503-823-5157
pdxbl.org

To check on business license requirements at the county level, contact your county administrative offices. The county planning department or county commissioner's office is an appropriate first contact. You may be able to find your city, county and special district licensing requirements online.

Construction & Landscape Contractor Licenses

Who Should be Licensed with the Construction Contractors Board (CCB)

Oregon's Construction Contractor License Act, ORS Chapter 701, requires you to become licensed with the Oregon Construction Contractors Board if you are engaged for compensation in any construction activity involving improvements to real estate.

Licensing is required for any individual or business entity that advertises, offers, bids, arranges to do, or actually does any construction, alteration, remodeling, or repair involving residential, commercial, industrial, or public works improvements. Inspection, tree service, and chimney sweep businesses are also required to be licensed. Violations can result in civil penalties of up to $5,000 per offense.

Some categories of construction work are exempt from the license, according to ORS 701.010. If you have any questions about whether you must be licensed, contact:

Construction Contractors Board (CCB)

700 Summer St., NE, Ste. 300 (to visit)
P.O. Box 14140 (for mail)
Salem, OR 97309-5052
503-378-4621
oregon.gov/ccb

CCB Requirements

- Contractors are required to have a surety bond and liability insurance.
- Before becoming licensed, contractors must complete a 16-hour education course and pass a state test. There are also continuing education requirements.
- Some work performed by contractors requires a specialty license. These include:
  - Residential home inspections.
  - Locksmith work.
  - Home energy assessor.
  - Energy Efficiency and Sustainable Technologies (EEAST).
  - Lead-based paint. Contractors performing lead-based paint activities or individuals working for contractors on lead-based paint must also be licensed by the Oregon Health Authority (OHA). OHA may be reached at 971-0673-0440 or toll free 877-290-6767.

Class of Independent Contractor

Contractors must choose an independent contractor license class of either "nonexempt" or "exempt."

- **Nonexempt** sole proprietorships have employees. Nonexempt partnerships have employees, or have more than two individual partners, or have partners who are not family members. Nonexempt corporations and limited liability companies have employees and/or more than two working corporate officers or LLC members.
- **Exempt** sole proprietorships have no employees. Exempt partnerships have no employees, or they have two individual partners, or they have only family members as partners. Exempt corporations and limited liability companies have no employees with two or fewer working corporate officers, who qualify as non-subject workers under ORS 656.027(9), or they have no employees and all corporate officers are members of the same family (related by blood, marriage or adoption).

If you are licensed as exempt and you hire one or more employees, you must immediately notify the CCB to change your independent contractor class, supply the appropriate employer workers compensation account numbers, and pay the change fee. If you wish to change from nonexempt to exempt, you must immediately notify the CCB and pay the change fee (ORS 701.035). Commercially endorsed contractors that are exempt, are required by law to carry personal election coverage. (ORS 701.035(5)).

Employees or Subcontractors?

All contractors licensed with the Construction Contractors Board have signed an independent contractor certificate stating they are independent businesses and not employees, as defined by statute. By operating their businesses according to the standards, they are recognized as independent businesses by the Department of Revenue, the Employment Department, and the Workers' Compensation Division, as well as the Construction Contractors Board.

The standards for independent contractor certification and operation are provided in ORS 670.600. Contractors need to be aware that hiring someone licensed as an independent contractor with the Construction Contractors Board does not automatically free them from paying taxes and workers' compensation insurance on those individuals. Contractors can only avoid these responsibilities if the subcontractor meets the independent contractor definition. **Note:** Workers' compensation case law takes a broader interpretation on independent contractor status than ORS 670.600. Workers' compensation questions should be directed to the Workers' Compensation Division at 503-947-7815.

A business with employees must check with some additional agencies to determine its obligations as an employer. Since the definition of "employee" differs among Oregon state agencies, read the section under each agency and under each type of tax carefully to determine if you are considered an employer for that agency or tax. If you have any

questions about whether you are considered an employer, write or call the Construction Contractors Board at 503-378-4621.

For additional information about whether you are considered an employer, please refer to the Employer's Guide for Doing Business in Oregon.

Applying for a CCB License

There are two ways to become licensed. Applying for a license by mail takes about two weeks. Contractors can become licensed the same day, if they come in person to the Construction Contractors Board's Salem office and have fulfilled all the requirements that are listed in the application form.

The Construction Contractors Board must have all of the following items before licensing can be completed:

- Completed application form.
- Payment of the correct fee.
- An original surety bond.
- A Certificate of General Liability Insurance.
- Proof of completion of 16 hours of education and passage of a state test.
- Signed independent contractor certification form.
- Assumed business name or other business entity filed with Corporation Division, if applicable.
- Employer account information, if applicable, including state account (business identification number), workers' compensation, and federal IRS numbers.

Who Should be Licensed with the Landscape Contractors Board (LCB)

TWO licenses are required to do landscaping work in Oregon: the individual landscape construction professional license and the landscape contracting business license.

The individual landscape *construction professional* (LCP) license is the person that supervises all landscaping work performed by a landscape contracting business. The LCP license is obtained after passing an exam showing minimal competency required to perform and supervise landscaping work in Oregon.

The landscape *contracting business* license is granted to an entity that is licensed to contract for landscape work in Oregon. The business carries the bond, liability insurance, workers compensation (if applicable) and enters into the contract with the consumer. The landscape contracting business must either be owned by or must employ a licensed LCP to supervise the landscape activities of the business, as well as any unlicensed employees.

Oregon law, ORS Chapter 671, requires all businesses engaged in work as a landscape contracting business to be actively licensed with the LCB during all times the business performs landscape contracting work. Work as a landscape contracting business is defined by statute (ORS 671.520).

Licensing is required for any business entity that advertises, offers bids, and arranges to do, or actually does any landscaping work. Landscaping work includes the planning or the installation of lawns, trees, shrubs, vines and nursery stock; preparation of the property on which they are to be installed; the installation, maintenance or repair of ornamental water features, drainage systems or irrigation systems , and the installation of artificial turf, unless used for a sports field totaling more than 30,000 square feet. The license or CCB license is also required for the installation, maintenance or repair of fences, decks, arbors, driveways, walkways, patios, landscape edging and retaining walls.

Businesses that conduct landscape maintenance functions only, i.e. mowing, weeding and/or the upkeep of an already-installed landscape project are not required to be licensed with the LCB and are not restricted in the amount of landscape maintenance they perform. However, they may only perform $500 of "casual, minor or inconsequential" landscaping work per calendar year on property where they already perform landscape maintenance work. "Casual, minor or inconsequential work" is defined in OAR 808-002-0200.

To inquire about licensing requirements check the LCB website or you can contact the LCB:

Landscape Contractors Board (LCB)
2111 Front Street NE Ste 2-101
Salem, Oregon 97301

Phone: 503-967-6291 ext. 221
Fax: 503-967-6298
Email: LCBinfo@state.or.us

If the landscape contracting business changes owners, the business must apply for a new license and pay a new license fee, after which a new license number is assigned. In a corporation, stockholders are not considered owners for this requirement.

LCB Requirements

Landscape contracting businesses are required to have a surety bond and liability insurance and carry workers' compensation insurance if they have employees. The business must also employ at least one licensed landscape construction professional or have an owner who is a licensed landscape construction professional. In order to be a licensed landscape construction professional, the person must pass a multi-section examination that qualifies them for the phase of licensure and work they are allowed to perform.

If a person who is not a licensed landscape construction professional desires to start a landscape contracting business, and does not want to designate the role of managing owner/employee to the landscape construction professional employed by the business, they (or another designated person who is an employee of this business) must

1. Take the Owner/Managing Employee course through a board approved provider,
2. Pass the Business, Laws and Rules section of the examination, and
3. Meet all the other license requirements before the business is licensed.

Class of Independent Contractor (Employer Accounts)

Landscape contracting businesses must choose either the nonexempt or exempt class of contractor license.

- **Nonexempt** applies to sole proprietorships that have employees and partnerships that have employees, have more than two individual partners, or have partners who are not family members. Nonexempt corporations and limited liability companies have employees and/or have more than two working corporate officers or LLC members.
- **Exempt** applies to sole proprietorships that have no employees and partnerships that have no employees, or have only two partners that are family members. Exempt corporations and limited liability companies have no employees with two or fewer working corporate officers who qualify as non-subject workers under ORS 656.027(9), or they have no employees and all corporate officers are members of the same family (related by blood, marriage or adoption).

If the business is licensed as exempt and then hires one or more employees, the business must immediately notify the LCB and supply the appropriate workers compensation documentation.

Employees or Subcontractors

Oregon Law, ORS 671.525, requires a business to qualify as an independent contractor under ORS 670.600 in order to be licensed with the LCB. All landscape contracting businesses licensed with the LCB have signed an independent contractor certificate stating they are independent businesses and are not under the direction and control of another entity as defined by ORS 670.600. By operating their businesses according to these statutory standards, the business is recognized as an independent contractor by the Department of Revenue, the Employment Department and the Workers Compensation Division, as well as the LCB.

The standards for independent contractor certification and operation are found in ORS 670.600 and OAR 808-003-0260. See the definition of independent contractor to determine what standards an individual or business entity must meet before it is recognized as an independent contractor. Landscape contracting businesses need to be aware that contracting with another licensed landscape contracting business that qualified as an independent contractor with the LCB does not automatically free them from paying payroll taxes and workers' compensation insurance on the individuals performing the landscape work. Landscape contracting businesses can only avoid these responsibilities if the subcontractor meets the independent contractor definition at the time the work is being performed.

Note: Workers' compensation case law takes a broader interpretation on independent contractor status than ORS 670.600. If you have questions contact the Workers' Compensation Division at 503-947-7815.

A business with employees must check with some additional agencies to determine its obligations as an employer. Since the definition of "employee" differs among Oregon state agencies, read carefully the employment section for

each agency and under each type of tax to determine if you are considered an employer for that agency or tax. If you have any questions about whether you are considered an employer, call the LCB at 503-967-6291.

For additional information about whether you are considered an employer, please refer to the ***Employer's Guide for Doing Business in Oregon***.

Completing the LCB Business Licensing Process

Requirements for a Landscape Contracting Business License

- **A completed application form** (available on the web.)
- **Application Fee.**
- **License Fee.**
- **Business name** that is registered with the State Corporation Division.
- **List of all owners.**
- **The list of licensed landscape construction professionals.**
- **Managing employee** if the owner is NOT an LCP.
- **Tax identification numbers** including the state payroll tax (BIN) and IRS (FEIN) numbers.
- **Certificate of liability insurance** for a minimum of $100,000.
- **Surety bond** ($3,000, $10,000, $15,000 or $20,000, depending on the job charges.)
- **Workers compensation,** if applicable.
- **Independent contractor certification.**
- **Licensing and litigation history**.
- **Criminal background**.
- **Employee verification form**.

STEP 7 – OTHER REQUIREMENTS

Check with the Department of Environmental Quality and the State Fire Marshal, if your business will handle hazardous wastes. See "Dealing with Environmental Permits & Regulations" in this guide.

Determine if you comply with the Americans with Disabilities Act (ADA). Many businesses are subject to federal law that prohibits discrimination against disabled persons. See "Comply with Americans with Disabilities Act" in this guide.

Learn about registering Patents, Copyrights, Trademarks, and Service Marks with the State of Oregon and the federal government. See "Patents, Copyrights & Trademarks" in this guide.

Check Zoning For Business Location

Be sure the location you choose for your business is properly zoned for your business activity. Other factors to consider include regulations on business signs and parking at the location.

If you are planning to operate a business from your home, you will need to determine if there are restrictions on home-based businesses in your area. Your local city or county planning offices will be able to provide you with this information.

Dealing With Environmental Permits & Regulations

Check with Oregon DEQ

Contact the Oregon Department of Environmental Quality (DEQ) for information on permits or regulations if your business activity involves any of the following:

- Putting waste-water into rivers and streams
- Disposing of wastes on land or into the ground
- Producing storm-water runoff associated with disturbing one or more acres of land with clearing, grading, excavation or construction activities
- Producing storm-water runoff from industrial activity
- Emitting air pollutants
- Removing asbestos-containing material
- Operating a landfill, transfer station, incinerator, material recovery facility, composting facility or septic lagoon for non-hazardous wastes
- Storing, using or transporting waste tires
- Owning an underground storage tank
- Contracting to work on an underground storage tank, including testing or cleaning up of petroleum-contaminated soil
- Creating, storing, treating or disposing of hazardous wastes

For spills or emergency response, state statute requires that when you have a release (spill) or a threat of release of oil hazardous materials, you must call the Oregon Emergency Response System at 1-800-452-0311, not DEQ.

For information about handling or storage of petroleum products, visit the State Fire Marshal's office or call 503-378-3473, not DEQ.

DEQ Information and Technical Assistance

Please visit the DEQ website for more complete information on environmental permits and regulations.

For air quality permitting and licensing resources, solid waste permit information, underground storage tank information and water quality permitting information, visit the DEQ website.

For more information on dealing with hazardous waste, see DEQ's ***Small Quantity Hazardous Waste Generator Handbook***.

Oregon DEQ has a Small Business Ombudsman for Air Quality, who investigates and resolves complaints and disputes involving DEQ's air quality regulations, compliance activities and enforcement actions. For other hazardous waste technical assistance, visit the Oregon Department of Environmental Quality.

Oregon Department of Environmental Quality
811 SW Sixth Ave.
Portland, OR 97204-1390

503-229-5696 (in Portland)
1-800-452-4011 (toll-free in Oregon)
503-229-6993 (TDD)

Check with Department of State Lands

The Oregon Department of State Lands (DSL) implements the state's removal-fill law, which requires property owners to get a permit from DSL if they plan to fill or remove material from Oregon wetlands and waterways. The law applies to private and public land.

More information about removal-fill permits is on the DSL website. Other resources include the fact sheet on identifying wetlands and the removal-fill brochure.

Department of State Lands
775 Summer St. NE
Suite 100
Salem, OR 97301-1279
503-986-5200

Check with State Fire Marshal

The Oregon Community Right to Know and Protection Act directs the Office of State Fire Marshal (OSFM) to develop and distribute the annual Hazardous Substance Information Survey.

Facilities in Oregon with reportable quantities of hazardous substances are required to report those substances annually on the survey. In addition, facilities that receive the survey for the first time are also required to complete and submit the survey. Failing to complete and submit the survey as required may result in civil penalties.

A hazardous substance is defined in Oregon Administrative Rule, 837-085-0040, as a substance required to have a Safety Data Sheet (SDS) pursuant to Oregon Occupational Safety and Health Administration (Oregon OSHA) or, any substance designated as hazardous by the Office of State Fire Marshal. This includes substances produced on site, waste substances, solutions and refrigeration system gases.

A reportable quantity is any hazardous substance that is on site at any time that meets or exceeds the following amounts:

Liquids - 50 gallons or more
Gases - 200 cubic feet or more
Solids - 500 pounds or more

Lower reporting quantities apply to poisons and explosives. If a poison or explosive is on site at one time *and* meets or exceeds the following quantities, it must be reported.

Liquids - 5 gallons or more
Gases - 20 cubic feet or more
Solids - 10 pounds or more

In addition, ***any*** quantity of radioactive substances (except sealed sources) is reportable including radioactive wastes.

A separate survey is required to be submitted for each site address in Oregon that has a reportable quantity of any hazardous substance.

Request a survey for an unreported site online.

For more information on State Fire Marshal requirements, visit the website or call the Hazardous Substance Information Hotline at (503) 378-6835 or (800) 454-6125 in Oregon between the hours of 8:00am to 12:00pm and 1:00pm to 5:00pm, Monday through Friday.

Comply With Americans With Disabilities Act

Background

The Americans with Disabilities Act (ADA) is a federal law that prohibits discrimination against disabled persons in the areas of employment, public accommodation, and public services.

Title III of the ADA requires that public accommodations make facilities and services accessible to the disabled. Many private businesses are considered public accommodations under this law. The ADA specifies twelve types of entities that, regardless of size, are public accommodations: places of lodging, exhibition or entertainment, public gathering, public display or collection, recreation, and exercise; private educational institutions; establishments serving food or drink; sales or rental establishments; service establishments; stations used for specific public transportation; and social service center establishments.

Title I of the ADA deals with private employment and prohibits discrimination against "any qualified individual with a disability" in all aspects of employment. Title I applies to employers who have 15 or more employees.

General Information

For general information on the ADA, contact:

Northwest ADA & Information
Technology Center, CDRC/OHSU
PO Box 574
Portland, OR 97207
1-800-949-4232 (Voice and TDD)

For information on Title III of the ADA (public accommodation issues), contact:

Office on ADA, Civil Rights Division

U.S. Department of Justice
950 Pennsylvania Ave. NW
Disability Rights Section - NYAV
Washington, DC 20530
ada.gov
1-800-514-0301 (Voice)
1-800-514-0383 (TTY)

For additional information on Title I of the ADA (private employment issues), contact either:

ADA.gov Information & Technical Assistance
US Department of Justice
950 Pennsylvania Ave. NW
Washington, DC 20530
1-800-514-0301 (voice)
1-800-512-0383 (TTY)

Equal Employment Opportunity Commission
909 First Avenue, Ste. 400 1-800-669-4000 (Voice)
Seattle, WA 98104-1061 1-800-669-6829 (TTY

Employers with six or more employees are subject to the state disability law and should contact the Oregon Bureau of Labor and Industries Technical Assistance for Employers for information at 971-673-0824.

Sale Of Securities

The Corporate Securities Section of the Department of Consumer & Business Services (DCBS) regulates the sale of securities in Oregon. The most common types of securities are stocks, bonds, and limited partnership interests. However, any type of agreement that obligates you or your business to pay another person part of your profits or make interest payments probably involves a security. If you plan to finance your business with funds other than your own, you may be involved in the offer and sale of securities.

Oregon Securities Law, ORS Chapter 59, may require that you file an application to register your securities before you offer or sell them. Contact the Corporate Securities Section before you talk to anyone about helping to finance your business. The staff can explain the law, let you know what exemptions may be available, and provide copies of the securities law and forms required for registration. You can also find the securities law and registration forms on the Division of Finance & Corporate Securities' website. If you would like to stop by and talk to someone, call first to be certain a qualified staff member will be available to assist you.

Department of Consumer & Business Services

Corporate Securities Section
350 Winter Street NE, Room 410
Salem, OR 97301-3881
503-378-4140 (voice/TTY)
866-814-9710 (Toll-free)
oregondfcs.org

Patents, Copyrights & Trademarks

Some businesses begin with a new idea, invention, innovative concept, or new process. If your business is dependent on such intellectual property, you may want to protect it by applying for a patent or copyright. If you use a trade or service mark to identify goods or services that you provide, you may choose to register the trade or service mark.

U.S. Patents

A patent is an exclusive property right to an invention and is issued by the Commissioner of Patents and Trademarks, U.S. Department of Commerce. It gives an inventor the right to exclude others from making, using, or selling the invention in the United States, its territories, and possessions.

The USPTO has a patent search tool online that you can use for a preliminary patent search. If you decide to apply for a patent, professional assistance from a patent attorney or patent agent is recommended, because the patent procedures are detailed and technical.

U.S. patent information, the application process, and forms for applying for a patent are available online from the United States Patent and Trademark Office

U.S. Copyrights

A copyright protects literary, dramatic, musical, artistic, or other intellectual creations from unauthorized copying or exploitation. Items such as written materials, works of art, musical compositions, and computer programs are protected by copyright. No publication, registration, or other action in the Copyright Office is required to secure a copyright; the copyright is secured automatically when the work is created and fixed in a tangible form of expression. However, there are definite advantages to registering a copyright. Copyrights are registered with the U.S. Library of Congress. To obtain information on copyrights and copyright application forms, contact:

Library of Congress
U.S. Copyright Office
101 Independence Ave. SE
Washington, DC 20559-6000
(202) 707-3000 or 877-476-0778 (toll free) general information

Trade and Service Mark

A trade or service mark identifies goods or services made or sold by a person to distinguish them from goods or services made or sold by others. It can consist of words, names, symbols, devices, or any combination of these. The mark must be in use before it can be registered. The registration is optional.

The trade or service mark registration advises the public that the registrant believes he or she is the only person who has a right to use the mark in connection with those goods or services. It prevents the registration of an identical or similar mark, and also helps prove the date of first use.

Oregon Trade and Service Mark Registration

It is the use of a trade or service mark in Oregon, rather than registration, which creates ownership. A trademark has been used in Oregon when goods are sold or distributed in the state and the mark is placed in any manner on the goods, containers, tags, labels, or displays associated with those goods. A service mark has been used in Oregon when the mark is used or displayed in the sale or advertising of services rendered in this state. Research Oregon Trade Marks online.

The Oregon trade and service mark registration form is available online. There is a non-refundable processing fee of $50 for filing a trade or service mark application, and the mark can be renewed every 5 years.

Please allow one to two weeks for processing documents submitted by mail.

Note: Businesses are encouraged to check for conflicts with federally registered trade or service marks before registering a trade or service mark in Oregon. Since trade and service mark rights arise from the use of the mark, a current federal registration may indicate prior use of the mark by another person. Federal trademark information is available at the United States Patent and Trademark Depository Library, located at Paul L. Boley Law Library, Northwestern School of Law at Lewis and Clark College, in Portland, Oregon. The library receives periodic updates on both current and pending federal trademark registrations. For further information, call 503-768-6676. Be sure to call ahead for library hours.

Federal Trade and Service Mark Registration

A Trade or Service Mark may be registered with the U.S. Patent and Trademark Office if the mark has been used on goods or associated with services that have been rendered in commerce. An applicant who has not yet used the mark may apply based on a bona fide intention to use the mark in commerce. The term of federal trademark registration is 10 years, with 10-year renewal terms. However, the registrant must submit an affidavit stating that the mark is currently in use between the fifth and sixth year after registration or the registration is cancelled. Trademark rights can last indefinitely if the owner continues to use the mark to identify the goods or services.

Federal Trade or Service Mark Registration information is also available online. Information on the application process and forms for registering a Trade or Service Mark is available online.

If You Use Music In Your Business

U.S. Copyright Law gives copyright owners the exclusive right to publicly perform or authorize performance of their works. Most music is protected by a copyright. The proprietor of a business in which copyrighted music is performed is liable for infringement of copyrighted music in his or her place of business. If you use music in your business in any way, including as background music or on your phone system, you should be aware of your liability for using the music.

Three organizations license performance rights for most of the music copyright holders in the United States. You can obtain more information on how to comply with copyright law regarding music use by contacting an attorney or one of these organizations.

American Society of Composers Authors and Publishers (ASCAP)
One Lincoln Plaza
New York, NY 10023
(212) 621-6000
ascap.com

Broadcast Music Inc. (BMI)
10 Music Square East
Nashville, TN 37203
(615) 401-2000 or 1-800-925-8451
bmi.com

SESAC Inc.
55 Music Square East
Nashville, TN 37203
(615) 320-0055 or 1-800-826-9996
sesac.com

Buying Wholesale For Your Business

If you attempt to make wholesale purchases for your business, the seller may ask for your wholesale or resale license number. Oregon does not have either a wholesale or a resale license. The number generally accepted for use as a wholesale or resale number in Oregon is the eight-digit Business Registry Number assigned when you register an assumed business name or a business entity with the Corporation Division. The Department of Revenue has created a website for questions about sales tax information that includes a self-authenticating "Resale Certificate." Business owners may use this certificate for buying wholesale or for exemption of sales taxes on goods purchased in another state. Visit online to generate a "Resale Certificate."

Complying with Oregon's Unclaimed Property Law

Unclaimed property is any amount of money owed to another person or entity that cannot be found. Oregon law requires businesses and organizations to report all unclaimed assets each year to the Oregon Department of State Lands.

Common types of unclaimed property include:

- Uncashed payroll checks
- Refunds and other deposits
- Accounts receivable – credit balances
- Stocks and securities

Free training seminars on how to remit unclaimed property are offered annually, in the spring and summer. Additional information on how to report is in the Department's step-by-step guide on unclaimed property reporting.

Oregon Identity Theft Protection Act

Oregon law requires individuals, businesses, and organizations that collect and maintain personal identifying information to follow requirements to help protect consumers from identity theft.

Personal identifying information is a consumer's name in combination with a Social Security number, Oregon driver's license or Oregon identification card number issued by the Department of Motor Vehicles-Oregon Department of Transportation, or a financial account or credit or debit card number along with security or access codes or password that would allow someone to access a consumer's financial account.

Those who maintain Social Security numbers are prohibited from printing them on any documents that are mailed to but not requested by the consumer. If the consumer requests mailed documents that contain a SSN, the number must be redacted or obscured. Further you cannot print a SSN on a card used by the customer that is required to access products or services, nor can you publicly display or post a SSN (such as on a website) unless redacted or obscured. In addition, the law requires anyone who owns personal identifying information to notify affected consumers of any security breach if computer files containing that personal information have been subject to a security breach.

Oregon businesses and organizations also must safely protect the personal information they maintain by developing, implementing and maintaining reasonable safeguards, including the proper disposal of information that is no longer needed.

Owners of a small business (200 employees or less in a manufacturing business, or 50 employees or less in other types of business) comply with the safeguard requirements if its information security and disposal program contains the administrative, technical and physical safeguards and disposal measures appropriate to the business' size and complexity as well as the nature and scope of its activities, and the sensitivity of the personal information it collects.

Those who are subject to and comply with the notification and data safeguard requirements or guidance adopted under the federal Gramm-Leach-Bliley Act already meet Oregon's requirements for notification and data safeguarding for customers' personal information. In addition, those who are subject to and comply with the data safeguard requirements or guidance adopted under the Health Insurance Portability and Accountability Act (HIPAA) for data safeguarding of patient information do not need to develop further processes. However, if a breach involves personal information of your employees, or you are developing safeguards to protect employees' personal information, you must follow Oregon's notification and data safeguard requirements.

For further information contact:

Department of Consumer and Business Services

Division of Financial Regulation
350 Winter St. NE, Room 410
Salem OR 97301-3881
503-378-4140 1-866-814-9710 (toll free in Oregon)

For information on Identity Theft and your Federal Tax Records, visit online.

STEP 8 – HIRING EMPLOYEES

The Business Information Center also publishes a separate guide to assist business when hiring employees. The ***Employer's Guide for Doing Business in Oregon*** provides a general checklist along with contact information on government requirements for Oregon's employers.

Determine Employer Status

Who is an Employer?

Are you an employer responsible for filing and paying one or more payroll tax? If you pay someone to work for you, are in charge of the way the job is done, and have the right to direct and control the worker, the worker is probably your employee. Oregon law differs from federal law and from state agency to agency.

An employer may be an individual, corporation, partnership, estate, trust, association, joint venture, or other un-incorporated organization. Religious, educational, charitable, and social organizations can also be employers, even though such organizations may be exempt from paying income tax.

If you are an employer, please review the companion publication, ***Employer's Guide for Doing Business in Oregon*** and contact the individual agency programs for further information.

Who is an Employee?

An employee is anyone who performs services for pay for another person or organization under the direction and control of the person or organization. Even when the employer gives the employee freedom of action, the person performing the service may still be considered an employee. What really matters is that the employer has the legal right to control the method and result of the services, even though the employer may not always exercise that right. If you are unsure whether you need to hire an employee or independent contractor, go to http://oregon.gov/ic for more information.

Corporate officers, whether a C Corporation or an S Corporation, who are paid for working for the corporation are considered by the Oregon Department of Revenue to be employees of the corporation and are subject to withholding tax requirements. (ORS 316.162)

For workers' compensation purposes, one must rely on general guidelines that have evolved in the courts to make the distinction between an "employee" and an "independent contractor." If you have questions, contact the Workers' Compensation Division Employer Compliance Unit at 503-947-7815.

Who is an Independent Contractor?

In Oregon, workers may only be classified as independent contractors if they meet the provisions of laws and court decisions that define independent contractor and employer-employee relationships. If you are unsure whether you need to hire an employee or independent contractor, go to http://oregon.gov/ic for more information.

For some agencies, independent contractors are defined in ORS 670.600, which includes that an independent contractor must be free from direction and control. For workers' compensation purposes, an independent contractor must be free from direction and control and even free from another's right to direct and control.

Internal Revenue Service Definition

The Internal Revenue Service (IRS) uses a 20-factor control test to determine employer control of the Independent Contractor or employee. Please click here for more information, or call 1-800-829-4933.

Important Information About Employer Identification Numbers (EIN)

General Information

All businesses, except certain sole proprietors, are required to obtain a federal tax employer identification number (EIN).

- Application for EIN requires identification of responsible party
- Change in Application for Employer Identification Number
- Use of Nominees in the EIN Application Process
- Updating Incorrect Business Entity Information

If you have any questions regarding the federal tax identification number, contact your local IRS office or:

Internal Revenue Service
1220 SW Third Avenue
Portland, OR 97204
1-800-829-4933
irs.gov/

Oregon Minimum Wage

Oregon's minimum wage is adjusted annually for inflation by the Bureau of Labor and Industries. For information on the current minimum wage, contact the Bureau of Labor and Industries (BOLI) at 971-673-0824 or visit the website at oregon.gov/BOLI.

Employee Health Insurance Assistance

Through special benefits and reforms, the State of Oregon is making health insurance more available and affordable for employers, their employees, and employees' dependents.

Healthcare.Gov

Oregonians can shop for health insurance and access financial help to pay for coverage at HealthCare.gov. Health insurance plans offered on HealthCare.gov are certified by the Oregon Health Insurance Marketplace, now managed by the Oregon Department of Consumer and Business Services. Employers with 50 or fewer employees can purchase plans certified by the Oregon Health Insurance Marketplace directly from participating insurance carriers.

To learn more visit Oregonhealthcare.gov or call 1-855-268-3767.

Get Tax Credits to Pay For Health Insurance

Businesses with fewer than 25 full-time equivalent employees, that purchase a certified health plan, may be eligible for tax credits to help pay for employees' coverage. The tax credit covers up to 50 percent of premium costs for taxable organizations and up to 35 percent for tax-exempt organizations. To qualify, you must:

- Provide health insurance to your employees
- Pay at least 50 percent of employee-only health insurance premiums
- Pay average annual wages of less than $50,000 a year

Visit **Affordable Care Act (ACA) Tax Provisions** for more information or consult your tax adviser.

Small Employer Health Insurance

The Small Employer Health Insurance Options Program (SHOP) offers accessible health insurance for businesses with 2 to 50 eligible employees. An eligible employee is one who works on a regularly scheduled basis of 17.5 or more hours per week. More information about the SHOP program is available online.

Small Business Guide to Insurance and Worksite Safety

The Department of Consumer and Business Services regulates areas ranging from insurance to worksite safety that are important to small employers. As a business owner, understanding the types of insurance that can protect your investment and what you can do to promote worksite safety is key to your success. The Oregon Small Business Guide to Insurance and Worksite Safety provides an overview of these topics, along with contact information so you can easily obtain more detailed information.

Labor Market Information

The Oregon Employment Department's Workforce & Economic Research Division has a team of Workforce Analysts who collect and analyze labor market information for individual businesses, who can then apply the information to

their everyday business decisions. The Workforce Analysts are available to provide concise, up-to-date information about local, state, and national economies, on the population trends for those areas, and their effects on Oregon's workforce. Their focus is to provide information as requested by Oregon businesses related to the labor market in general, and can provide specific occupational supply and demand data, or do an analysis of a business's wage levels relative to the labor market. Workforce Analysts are also available to create customized reports for specific businesses when the data is available. The research division also publishes and distributes information that has been gathered through surveys sent to employers. Businesses can use this labor market information to identify challenges and opportunities. Economic development planners, educators and training providers, job applicants, legislators, and the news media also regularly rely on this information to learn about workforce issues that affect Oregonians.

Information on the Internet

The Oregon Employment Department maintains a nationally recognized website where employers can find local, regional, and statewide information about employment, unemployment rates, the Consumer Price Index, workplace skills, wage levels, industry and occupational projections of employment, and much more. Research staff are on hand to show businesses how to retrieve such data – and how to apply it directly to their venture. Visit their website.

Labor Market Information Publications

Oregon Employment Department staff prepare and distribute thousands of publications to schools, businesses, planners, and the public. A complete list of labor market information publications is available online.

STEP 9 – ONGOING REGISTRATION REQUIREMENTS

After you have established your business and fulfilled the initial requirements, you will want to make sure that you keep your reporting and registration obligations current. Businesses registered with the Secretary of State, Corporation Division must file renewals and if needed, update their registration information.

Many occupational or business licenses require annual renewal or recertification. For more information, visit the Business Xpress License Directory for specific requirements.

Nonprofit organizations that engage in charitable activities need to file annual reports with the Oregon Department of Justice (DOJ) Charitable Activities Section, and the Internal Revenue Service. For more information, visit our Nonprofit Services online.

OREGON COUNTIES MAP

Visit online for a list of county web pages and phone numbers

Corporation Division
Office of the Secretary of State

Public Service Building, Suite 151
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