

[sos.oregon.gov/Business](https://sos.oregon.gov/Business)

# *Oregon* Start a Business *Guide*



Oregon Secretary of State  
Corporation Division



Dear Oregon Entrepreneur,

Welcome to *The Oregon Start a Business Guide*.

Whether you are a current Oregon resident or planning to move to Oregon and open a business or non-profit from another state or foreign country, this guide will aid in keeping your business in compliance with Oregon laws and regulations if you plan to:

- Operate in or open a physical location in Oregon
- Perform on long-term or short-term contracts in Oregon.
- Hire employees who work from their homes in Oregon.
- Have a taxable presence (i.e. nexus) in Oregon.

The Secretary of State, Corporation Division provides several business information resources, including the [Business Xpress portal](#) Business Information Center, our many web pages, 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 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

CorporationDivision.SOS@sos.oregon.gov

[sos.oregon.gov/business](http://sos.oregon.gov/business)

[Business.Oregon.gov](http://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. No information in this guide should be construed as legal advice.

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 CorporationDivision.SOS@sos.oregon.gov.

*The guide works best when viewed online, as it contains clickable links for easy navigation. If possible, use a computer and go to [sos.oregon.gov/business](http://sos.oregon.gov/business) and Search on start-business-guide to view and use these pages online.*

## **Secretary of State, Corporation Division**

### **Business Information Center**

Public Service Building

255 Capitol St. NE, Suite 151

Salem, OR 97310-1327

(503) 986-2200

[CorporationDivision.SOS@sos.oregon.gov](mailto:CorporationDivision.SOS@sos.oregon.gov)

[sos.oregon.gov/business](http://sos.oregon.gov/business)

[Business.Oregon.gov](http://Business.Oregon.gov)

# 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.

*This guide works best when viewed online, as it contains clickable links for easy navigation. If possible, use a computer and go to [sos.oregon.gov/business](https://sos.oregon.gov/business) and **Search** on **start-business-guide** to view and use these pages online.*

## 1. Preparation

- Knowledge and experience
  - Research
- 

## 2. Planning

- Business plan
  - Financing
  - Seek professional advice
  - Business assistance programs
- 

## 3. Select your business name and structure

- Understand [business structures](#)
  - [Check business name for availability](#)
- 

## 4. Register your business at [SOS.oregon.gov/business](https://sos.oregon.gov/business)

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## 5. Tax information

- [Federal taxes and ID number](#)
  - State taxes
  - Local taxes
  - Property taxes
- 

## 6. Licensing

- Learn about licensing with [this video](#)

- Check [License Directory – Oregon Licenses, Permits, and Registrations](#)
- 

**7. Other requirements, if needed**

- Check zoning and environmental rules
  - Patents, copyrights, and trademarks
  - Comply with ADA requirements
  - Get business insurance
- 

**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 STEPS

## 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 that 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, since most businesses fail due to poor or inexperienced management. If you feel you could use help in this area, 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 or go online to [OregonSBDC.org](http://OregonSBDC.org).

### Research

Do your homework. Hours spent studying your proposed business idea can save you money in the long run and give you the information to make sound business decisions. Here are valuable resources to help you plan.

- [Oregon's Small Business Development Centers](#) (SBDC) provide services to Oregon's small businesses. Find the SBDC in your area at [OregonSBDC.org/Centers](http://OregonSBDC.org/Centers).
- Visit the Oregon Business Xpress portal at [Business.Oregon.gov](http://Business.Oregon.gov). Explore the wealth of resources there or find the [Startup Toolkit with six essential steps](#).
- Connect with the US Small Business Administration at [sba.gov](http://sba.gov).
- Consult with a counselor at [score.org](http://score.org).
- Consult with the [Small Business Legal Clinic](#) (SBLC) at Lewis & Clark Law School. The SBLC provides affordable legal services to low-income small and emerging businesses, including contract review and drafting, entity selection and formation, intellectual property guidance, and employment law advising. Cost is on a sliding scale basis.
- University of Oregon's [Business Law Clinic](#) provides free legal services to small and start-up business on a waiting list basis. 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 supervising attorneys.
- 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 you 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 comparisons of both suggested coverages and premiums.
- Visit your local library. A librarian can help you find information and ideas on starting, running, and marketing your business.

- Check with relevant trade associations and your local Chamber of Commerce to learn about networking opportunities and other resources.
- The Employment Department administers a federal tax credit called the [Work Opportunity Tax Credit \(WOTC\)](#). WOTC is designed to incentivize employers to hire individuals who face barriers to employment. Potentially qualifying individuals include but are not limited to military veterans, TANF assistance recipients, those recently released from incarceration, and those who simply have been unemployed for an extended period.

## STEP 2 - PLANNING

### *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. Completing a business plan provides you with a better understanding of the financial needs and profit potential of your business.

[Oregon's Business License Directory](#) allows you to search to see if your type of business is regulated. You may also get valuable planning advice from your licensing board or agency.

### *Business Express*

[Business Xpress](#) provides a wealth of information. Find many links and resources there that can help you with your planning or provide avenues for further exploration.

### *Seek Professional Advice*

Consider consulting at least two professionals:

- **An attorney** – Consider getting advice on any legal questions pertinent to your business such as contracts, agreements, tax law, liability issues, raising capital through the sales of securities, 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, the Oregon State Bar can refer you to one. You can obtain a referral by contacting them toll-free at 800-452-7636, or online at <https://www.osbar.org/public/ris/>.
- **An accountant** – A certified public accountant or a licensed tax advisor can advise you and probably 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 provide up to date 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](http://oaia.net). You may also contact the Oregon Society of Certified Public Accountants at 503-641-7200 or visit [orcpa.org](http://orcpa.org).

## Obtain Financing

New businesses often underestimate how much capital it will take to start a business and how difficult it will be to raise it. As a general principle, a new business should have enough capital to cover their business' initial costs and cash-flow requirements, plus an additional reserve.

Businesses can raise capital in a number of ways, including by obtaining a loan or through the sale of securities.

For information on raising capital through state loan programs (and other tools), check the funding sections of [Business Oregon and Raising Capital from the Division of Financial Regulation \(DFR\)](#). For more information on raising capital through the sale of securities, check out the Oregon Department of Consumer and Business Services, Division of Financial Regulation's website here:

<https://dfr.oregon.gov/business/licensing/financial/securities/Pages/index.aspx> or the United States Securities and Exchange Commission's website here: <https://www.sec.gov/smallbusiness>.

Income-qualified individuals may be able to participate in an Individual Development Account (IDA) to save money to open a business. IDAs are matched savings accounts that allow participants to get up to five dollars for every dollar they save. [Find an IDA provider online](#).

## Business Assistance Programs

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 help 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 a wide variety of information to help you grow your business. Here are some of the best and most frequently used resources.

### **Oregon 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 advising, training, referrals, and information on capital and global trade for both new and ongoing businesses. These services are delivered through Small Business Development Centers (SBDCs) located throughout the state.

SBDCs have a variety of classes from starting up, to growing a business, to exiting a business. SBDCs also offer tools and other resources that can be helpful. Additional assistance is available in the areas of access to capital, international trade, and technology transfer.

For more information on the services offered, contact 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 regional universities.

#### **Oregon SBDC Network Office**

1445 Willamette St. Suite# 5, Eugene, OR 97401

541-463-5250, 541-345-6006 (fax)

[OregonSBDC.org](http://OregonSBDC.org)

[Albany](#)

[Medford](#)

[Seaside](#)

[Bend](#)

[Grants Pass](#)

[Ontario](#)

[The Dalles](#)

[Clackamas](#)

[Gresham](#)

[Pendleton](#)

[Tillamook](#)

[Coos Bay](#)

[Klamath Falls](#)

[Portland](#)

[Global Trade Center](#)

[Columbia County](#)

[La Grande](#)

[Roseburg](#)

[Columbia Gorge](#)

[Lincoln City](#)

[Salem](#)

### ***SCORE “For the Life of your Business”***

If you want individual counseling, go to [SCORE.org](https://www.score.org) and select “request a mentor”, or contact the **closest** SCORE chapter address listed below. Online counseling is available. When calling by telephone, please ask for “SCORE counseling.”

#### **SCORE, Portland**

12600 Crescent St., Suite 160 Beaverton, OR  
97005 Email:[scorepdx@scorevolunteer.org](mailto:scorepdx@scorevolunteer.org)  
Web: <https://www.score.org/portlandor>

#### **SCORE, Central Oregon**

##### **Chapter #701**

PO Box 6416  
Bend, OR 97708  
(541) 316-0662  
Email:[info.centraloregon@scorevolunteer.org](mailto:info.centraloregon@scorevolunteer.org)  
Web:[www.score.org/centraloregon](http://www.score.org/centraloregon)

### ***Oregon Business Development Department***

The Oregon Business Development Department (Business Oregon) is the economic development agency for the state of Oregon. Business Oregon works with both communities and businesses, and it uses its programs and expertise to help businesses grow, so they in turn can add jobs, diversify the economy, and increase Oregon prosperity. In partnership with the private sector, Business Oregon provides direct services such as access to capital, lean manufacturing consulting, assistance with international markets, business recruitment, and more.

Much like the community bank down the street, Business Oregon can work with you to deliver small business loans in the form of debt financing at favorable terms. If there’s not a good fit with one of its direct loan programs, Business Oregon can also work with those banks and credit unions down the street to provide loan guarantees and loan-loss reserve accounts to help free up capital to those “almost bankable” business applicants. Those interested in doing business in Oregon should investigate private sources of assistance as well.

Business Oregon

775 Summer Street NE, Suite 200

Salem, OR 97301-1280

503-986-0123

1-800-735-2900 (TTY)

[oregon.gov/biz](http://oregon.gov/biz)

**Contact Business Oregon’s Regional Development Officers**

Business Oregon’s Regional Development Officers serve as a gateway to the full suite of the agency’s programs and services. If you aren’t sure where to start, you can reach out to your region’s staff person by selecting the map marker online at:<https://www.oregon.gov/biz/aboutus/contactus/Pages/default.aspx>

Or use the link on the “Contact Us” web page:

<https://www.oregon.gov/biz/aboutus/contactus/Pages/default.aspx>

<b>Business Recruitment</b> .....	971-375-7511; 503-551-0997
<b>Business Finance</b> .....	503-986-0172
<b>Global Trade/Exporting</b> .....	503-505-4968
<b>Broadband Development</b> .....	503-877-7006

***Emerging Business Assistance Programs***

There are a number of organizations that provide resources for technical assistance and promote targeted economic opportunities to small businesses, including minority-, women-, and disabled veteran-owned businesses around the state.

**Oregon Association of Minority Entrepreneurs (OAME)**

The Oregon Association of Minority Entrepreneurs (OAME) is a non-profit organization that promotes and develops entrepreneurship and economic development. OAME is a statewide organization with core services that include business counseling, microloans, business incubation (office space and conference rooms available), business opportunities, and networking events (where “everybody’s IN, nobody’s OUT”). For more information, contact OAME, 731 N. Hayden Meadows Drive, Portland, OR 97217, 503-249-7744, or visit [oame.org](http://oame.org).

**Certification Office for Business Inclusion and Diversity (COBID)**

The Certification Office for Business Inclusion and Diversity administers the Airport Concessionaire Disadvantaged Business Enterprise, Disadvantaged Business Enterprise, Minority and Women Business Enterprise, Veteran Business Enterprise, 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 certification provides businesses the opportunity to bid on goal-oriented public projects and connect with government contracting entities, encouraging diversity and inclusion in the procurement process. Certification is free in Oregon. COBID, a unit within Business Oregon, is located at 775 Summer Street NE, Ste. 200, Salem, OR 97301-1280. Contact COBID at 503-986-0075 or visit [www.orcobid.com](http://www.orcobid.com).

**Northwest Native Chamber**

NWNC Business Assistance provides resources connecting you to specialists and professionals in all areas of business development, including financial management, legal support, marketing, and much more. For more information, visit <https://nwnc.org/>.

**ONABEN – Our 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 most of the United States. ONABEN can be found online at <https://onaben.org/>.

## **Oregon Main Street**

Oregon Main Street (OMS) is part of Heritage Programs in the Oregon Parks and Recreation Department. OMS is designed to assist with the revitalization of traditional downtowns and historic commercial districts, promote economic development, and encourage historic preservation. The program uses an approach that advocates a return to community self-reliance, local empowerment, and the rebuilding of central business districts based on their assets, unique architecture, personal service, local ownership and entrepreneurship, and sense of community. For additional information, please go to [oregonmainstreet.org](http://oregonmainstreet.org) or contact 503-986-0670.

## **Business Law Clinic**

University of Oregon's Business Law Clinic provides free legal services to small and start-up businesses on a waiting list basis. 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 supervising attorneys. For more information visit <https://law.uoregon.edu/become-practice-ready/clinics/bizlaw>.

## **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 immigrants. 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 [https://law.lclark.edu/centers/small\\_business\\_legal\\_clinic/](https://law.lclark.edu/centers/small_business_legal_clinic/)

## **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. To find out more, please visit [the SEA program website](#) or contact the Employment Department's Special Programs Center 800-436-6191.

## **Office of Small Business Assistance (OSBA)**

The Office of Small Business Assistance serves as an independent voice for small businesses within state government. The Office's Small Business Ombudsman team helps entrepreneurs by investigating and helping to resolve complaints and questions from businesses about state and local government. For more information visit [oregon.gov/smallbusiness](http://oregon.gov/smallbusiness)

## **Get Help**

If you feel your business has been unfairly or unreasonably treated by state or local government and you've tried to resolve the issue without success, request help [online](#), via [email](#), or contact an Ombudsman toll-free at 844-469-5512.

## **Office of the National Ombudsman (SBA)**

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 3<sup>rd</sup> Street, SW, Suite 7125

Washington, DC 20416  
Toll-free 888-734-3247  
TTY 800-877-8339

### ***Office of Advocacy (SBA)***

The Office of Advocacy is an independent voice for small businesses within the federal government, the watchdog for the Regulatory Flexibility Act (RFA), and the source of small business statistics. The Office of Advocacy advances the views and concerns of small business before Congress, the White House, the federal agencies, the federal courts, and state policy makers.

#### **Region 10 Web page**

<https://advocacy.sba.gov/tag/region-10/>

### ***Office of the Taxpayer Advocate***

The Taxpayer Advocate, whose office was created in 2021 and is housed in the Oregon Department of Revenue, is a voice and a resource for taxpayers. The Advocate will serve taxpayers whose problems are not resolved through ordinary channels; receive and evaluate complaints of improper, abusive, or inefficient service by agency employees; promote taxpayer issues and concerns to department policymakers and state legislators; and problem-solve and suggest options to taxpayer dilemmas through normal channels of which the taxpayer may not have been aware. For more information visit the Office website at <https://www.oregon.gov/dor/Pages/Taxpayer-Advocate.aspx>.

## **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 to 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. Businesses can also raise money from investors through the sale of securities.

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***

#### **Prosper Portland**

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

#### **CCD Business Development Corporation**

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

#### **Cascade Capital Funding**

#### **Southern Oregon Regional Economic Development Inc.**



698 12<sup>th</sup> Street SE, Ste. 210  
Salem, OR 97301  
503-990-6868

**Mid-Columbia Economic Development District**

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

**Oregon Cascades West Council of Governments**

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

**Mid-Willamette Valley Council of Governments**

100 High St. NE  
Suite 200  
Salem, OR 97301  
503-588-6177

100 E. Main St., Ste. A  
Medford, OR 97501  
541-773-8946

**Central Oregon Intergovernmental Council**

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

**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, 419 SW 11<sup>th</sup> Ave, Ste. 310, Portland, OR 97205, call 503-326-2682, or visit SBA online at <https://www.sba.gov/district/portland>.

The SBA also sponsors programs that provide business counseling and assistance with business development, international trade, and obtaining federal 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. 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 regional 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 <https://www.oregon.gov/biz>.

**Small Business Support**

[Business Oregon](https://www.oregon.gov/biz) works with 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 [oregon.gov/biz](https://www.oregon.gov/biz). You may also contact their [Regional Development Officers](#) directly.



## Access to Capital

Business Oregon has a team of professionals to assist businesses with financing needs by packaging loan programs or by matching a partner service provider with a business. For more information or to get started, contact an agency Regional Development Officer: <https://www.oregon.gov/biz/aboutus/contactus/Pages/default.aspx>

Business Oregon offers the following business finance programs, including direct loan and loan guarantees.

- **Oregon Business Development Fund (OBDF)** provides [direct loans](#) that leverage private capital and provides incentives for businesses to expand or locate in Oregon.
- **Oregon Royalty Fund (ORF)** provides [direct loans](#) to help early stage (post R & D and prototyping), scalable, and high-margin small businesses obtain short-term working capital to support rapid growth.
- **Entrepreneurial Development Loan Fund (EDLF)** offers [direct loans](#) to help start-ups, micro-enterprises and small businesses expand or become established in Oregon.
- **Credit Enhancement Fund (CEF)** provides [loan guarantees](#) to financial institutions, to increase capital availability to small businesses.

## Raising Capital through the Sale of Securities

Businesses can also raise capital through the sale of securities, such as by selling an equity interest in their company, or by issuing a promissory note. (**Note:** Generally, a “security” is involved any time a person invests money in a business and depends on the business owner’s expertise and management to generate a profit or return on that investment. It can involve instruments--such as stocks or notes--that one commonly thinks are securities, and instruments that one does not.) When raising capital in this manner, it is important to keep in mind that the offer and sale of securities are subject to a highly complex system of federal and state regulation and that you must comply with **both** sets of laws.

Securities must be registered in each state in which they are offered and sold and under federal law before the offer is made. The federal and state securities laws also exempt certain types of securities and securities transactions from the securities registration requirements depending, among other things, on the size of the offering, the types of purchasers, and how the securities are being sold. Because the registration process can be time-consuming and expensive, you should be familiar with the various types of exemptions to determine whether you can rely on them.

**CAUTION:** It is an issuer’s obligation to ensure that any securities transaction complies with state and federal law, and the penalties for violating the securities laws can be severe. A business should always seek the assistance of an attorney with expertise in securities law before it raises capital through the sale of securities. A qualified attorney should be able to give your business the proper guidance regarding whether the transaction involves a security, whether you are offering or selling a security in Oregon, any security registration requirements (and any possible exemptions), and any disclosure requirements.

The United States Securities and Exchange Commission (SEC) administers and enforces the federal securities laws, and Oregon’s Division of Financial Regulation within the Department of Consumer & Business Services (DCBS) administers and enforces the Oregon Securities Law. To learn more about opportunities for raising capital under federal law, please visit the SEC’s website here:

<https://www.sec.gov/smallbusiness>. To learn more about opportunities for raising capital under the Oregon Securities Law, please visit DCBS’ website here: <https://dfr.oregon.gov/business/resources/capital/Pages/raising-capital.aspx>.

The following is a brief summary of some of the types of exemptions and methods of registrations under the federal and Oregon securities law that are available to small businesses.

## ***Common Exempt Offerings for Small Businesses***

### ***Regulation D - Rule 506***

Rule 506 under Regulation D is an exemption to the securities registration requirements under the federal securities law. (**Note:** Persons selling securities in reliance on Rule 506 in Oregon must file notice of the offering with DCBS and pay a fee 15-days after the first sale of the security in Oregon.)

There are two options for selling securities under Rule 506. Rule 506(b) allows businesses to raise an unlimited amount of money from an unlimited number of “accredited investors” (and no more than 35 sophisticated non-accredited investors) so long as there is no general advertising or general solicitation. Under federal law, an “accredited investor” includes any natural person whose earned income in each of the prior two years exceeded \$200,000 (or \$300,000 together with the investor’s spouse or partner), and reasonably expects the same for the current year; or who has a net worth (excluding the value of the person’s primary residence) over \$1 million, either alone or together with the investor’s spouse or partner; or who holds a Series 7, 65 or 82 license in good standing. A more detailed discussion regarding the specific requirements under Rule 506(b) can be found on the SEC’s website here: <https://www.sec.gov/smallbusiness/exemptofferings/rule506b>.

As an alternative, Rule 506(c) allows businesses to solicit and advertise an offering so long as: 1) all of the purchasers in the offering are “accredited investors”; 2) the business takes reasonable steps to verify each purchaser’s status as an “accredited investor”; and 3) all other conditions in Regulation D are satisfied. A more detailed discussion regarding the specific requirements under Rule 506(c) can be found on the SEC’s website here: <https://www.sec.gov/smallbusiness/exemptofferings/rule506c>.

### ***Regulation Crowdfunding***

Regulation Crowdfunding is an exemption to the securities registration requirements under the federal securities law that allows companies to raise a maximum aggregate amount of \$5 million through crowdfunding offerings in a 12-month period. (**Note:** A business whose principal place of business is in Oregon, or that sells 50% or greater of the aggregate amount of the offering to residents of Oregon in reliance on Regulation Crowdfunding, must make a filing with DCBS and pay a fee.)

Regulation crowdfunding among other things: 1) requires that all transactions take place online through an SEC-registered intermediary (either a broker-dealer or a funding portal); 2) limits the amount individual non-accredited investors can invest across all crowdfunding offerings in a 12-month period; and 3) requires disclosure of information in filings with the SEC and to investors and the intermediary facilitating the offering. Securities purchased in a crowdfunding transaction generally cannot be resold for one year. A more detailed discussion regarding regulation crowdfunding can be found on the SEC’s website here: <https://www.sec.gov/smallbusiness/exemptofferings/regcrowdfunding>

### ***Tier 2 - Regulation A.***

Tier 2 under Regulation A is an exemption to the securities registration requirements under the federal securities law that allows companies to raise up to \$75 million in a 12- month period provided that the company meets certain eligibility requirements, bad actor disqualification provisions, disclosure, and other matters. (**Note:** Persons selling securities in reliance on Tier 2 – Regulation A in Oregon must file notice with DCBS prior to selling their securities in Oregon and pay a fee.)

Tier 2 under Regulation A places limits on the amount of money a non-accredited investor may invest in an offering, and requires audited financial statements and the filing of ongoing reports with the SEC. A more detailed discussion regarding Tier 2 – Regulation A can be found on the SEC’s website here: <https://www.sec.gov/smallbusiness/exemptofferings/regca>.

***Oregon Intrastate Offering Exemption***

The Oregon Intrastate Offering (OIO) is an exemption to the securities registration requirements under the Oregon Securities Law that exempts from the Oregon securities registration requirements the offer and sale of stock or notes by certain Oregon businesses with 50 or fewer employees to Oregon residents. Businesses can raise \$250,000 per year in reliance on this exemption and \$500,000 in total. Oregon residents can invest up to \$2,500 per OIO and certain Oregon residents may also invest up to \$10,000 depending on their income and net worth or businesses can offer and sell their securities either directly to investors, or through a third-party platform. (**Note:** Securities validly sold in reliance on the OIO are also exempt from the federal securities registration requirements).

More information regarding how to use the OIO to raise capital for your business can be found on DCBS' website here: <https://dfr.oregon.gov/business/resources/capital/Pages/crowdfunding-faqs.aspx>.

***“Accredited Investor” Exemption***

The Oregon Securities Law also exempts from its securities registration requirements sales to “accredited investors” so long as there is no general advertising or general solicitation. Similar to the federal definition, the Oregon Securities Law defines an “accredited investor” to include any natural person whose earned income in each of the prior two years exceeded \$200,000 (or \$300,000 together with a spouse or spousal equivalent), and reasonably expects the same for the current year; or has a net worth over \$1 million, either alone or together with a spouse or spousal equivalent (excluding the value of the person’s primary residence).

Unlike securities sold in reliance on Rule 506(b), businesses do not have to make a filing with or pay a fee to DCBS to rely on this exemption. A business would need to prove that it satisfied the conditions of the exemption in a court or administrative proceeding should that become necessary. A business would also need to ensure that the offering is registered or exempt under federal securities law.

***“Friends and Family” Exemption***

The Oregon Securities Law also exempts from its securities registration requirements the sale of securities by a business to 10 or fewer Oregon residents (not including “accredited investors”) during a 12-month period so long as the offering does not involve commissions and/or general advertising or general solicitation. Because this exemption is limited to a small number of purchasers, it is sometimes known as the “friends and family” or “limited offering” exemption.

As with the “accredited investor” exemption, a business does not have to make a filing with DCBS or pay a fee to rely on this exemption. A business would need to prove that it satisfied the conditions of the exemption in a court or administrative proceeding. A business would need to ensure that the offering is registered or exempt under federal law.

***Common Registered Offerings for Small Businesses******Small Offering Abbreviated Registration (SOAR) for Offerings up to \$1,000,000 and the Small Corporate Offering Registration, (SCOR) for Offerings up to \$5,000,000***

Oregon’s Small Corporate Offering Registration (SCOR) and Small Offering Abbreviated Registration (SOAR) are streamlined processes for registering offerings up to \$5,000,000 and \$1,000,000 respectively, within a 12-month period. SCOR offerings, with certain restrictions, can be advertised and sold to many types of Oregon investors, but require businesses to submit audited financial statements as part of the registration application if the offering amount exceeds \$1,000,000. Audited financial statements are not required to be submitted as part of an application to register a SOAR offering, but there are greater limits on how the securities can be offered and sold. You can learn more about the SCOR offering process by visiting the North

American Securities Administrators Association's website here: [Small Company Offering Registration \(SCOR\) - NASAA](#).

Unlike securities that are sold in reliance on an exemption, a SCOR and SOAR offering must be reviewed and registered by DCBS before the securities can be offered and sold. If the securities are going to be offered and sold in more than one state, the review of a SCOR and SOAR offering can be coordinated with other states. You can learn more about that coordinated review process here: <https://www.coordinatedreview.org/>.

Securities that are registered as a SCOR or SOAR offering in Oregon must also comply with the securities registration requirements under federal law. The SCOR and SOAR registrations were designed for persons that intend to rely on the exemption to the federal securities registration requirements under Rule 504 under Regulation D. You can learn more about the requirements under Rule 504 on the SEC's website here: [SEC.gov | Exemption for limited offerings not exceeding \\$10 million—Rule 504 of Regulation D](#).

For more information about these requirements and resources, contact DCBS:

### **Department of Consumer & Business Services**

Division of Financial Regulation  
350 Winter Street NE, Room 410  
Salem, OR 97301-3881  
503-378-4140 (voice/TTY)  
866-814-9710 (Toll-free)\  
Email: [Securities.Registrations@dcbs.oregon.gov](mailto:Securities.Registrations@dcbs.oregon.gov)  
Website: [dfr.oregon.gov](http://dfr.oregon.gov)

### ***Tax Incentives***

Oregon has diverse tax incentive programs that move projects forward while benefiting both business and community. The most widely used programs are Enterprise Zones, which eliminate taxes on new property and equipment for 3 to 5 years in the standard program, and up to 15 years in the rural program. We have other property tax abatements like the Strategic Investment Program, and variances on the Enterprise Zone program. In addition to property tax, the Oregon Investment Advantage can provide abatement to Oregon's already-low taxes on corporate income.

For more information on business tax incentives, visit <https://www.oregon.gov/biz/programs/homeareas/fundbusiness/Pages/default.aspx#tax>

### ***Grants***

Business Oregon does have some limited grant funding for businesses in several targeted programs. One is a matching grant to help small businesses export goods to markets outside Oregon:

<https://www.oregon.gov/biz/programs/homeareas/overseas/Pages/default.aspx>

There is also a targeted program for startups already receiving federal SBIR/STTR funds:

<https://www.oregon.gov/biz/programs/SBIR-STTR/Pages/default.aspx>

For more information call 503-986-0172 or visit

<https://www.oregon.gov/biz/programs/homeareas/fundbusiness/Pages/default.aspx#grants>

### ***Loans***

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 for access to capital throughout the state. Visit the [Capital Access Team](#)

**MARKETING, GOVERNMENT CONTRACTING & INTERNATIONAL TRADE*****Oregon Buys***

Several state agencies in Oregon post purchase and bidding opportunities on OregonBuys, the state's eProcurement system. Creating an account in OregonBuys is free and allows users to view the goods and services sought by Oregon agencies. Visit [www.oregonbuys.gov](http://www.oregonbuys.gov) to create an account and learn more.

***Industry Codes***

Some government agencies require information about what a business does. There are several systems for obtaining such information, usually in the form of a specific number or code to classify an industry.

- The North American Industry Classification System (NAICS) is nationally used and is administered by the US Census Bureau. Search for NAICS codes at <https://www.census.gov/naics/>.
- National Institute of Government Purchasing (NIGP) codes are used by several Oregon agencies who post bidding information on the OregonBuys platform. Once logged in to OregonBuys, users can select the best NIGP code for their business. The Government Contract Assistance Program ([www.gcap.org](http://www.gcap.org)) may help businesses identify the most precise codes for a business.
- The National Council on Compensation Insurance (NCCI) is a rating and statistical organization that is responsible for creating a classification system that categorizes occupations to use in pricing of workers compensation insurance. There are over 600 classifications, each with a unique 4-digit code and rate, covering occupations from clerical to roofing. Light hazard occupations typically have a lower rate than high hazard occupations. To learn more, contact the Small Business Ombudsman for Workers' Compensation at <https://www.oregon.gov/DCBS/SBO/Pages/index.aspx>.

***Business Oregon***

[Business Oregon](http://www.businessoregon.gov)'s global trade strategists and overseas representatives can open the door for Oregon companies to market their goods and services internationally. Oregon businesses have access to a wide variety of tools and resources to remain profitable in an increasingly competitive and technologically complex global economy. 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 <https://www.oregon.gov/biz/programs/homeareas/overseas/>

***Government Contract Assistance Program***

Assistance from the Government Contracting Assistance Program (GCAP) has resulted in hundreds of millions of dollars in contract awards in Oregon. A program of the Organization for Economic Initiatives (OEI), GCAP provides technical assistance to small businesses in obtaining contracts with the federal government.

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 daily. GCAP offers the bid match service free for a 60-day trial and 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, proposals, and the potential of getting your business on a federal GSA schedule. For more information, contact GCAP, 1144 Gateway Loop, Suite 203, Springfield, OR 97477; visit the website at [gcap.org](http://www.gcap.org); or call 541-736-1088 or 1-800-497-7551.

## ***Market Research by Region in Oregon***

The Oregon Employment Department's [qualityinfo.org](http://qualityinfo.org) website provides free market research for small businesses. Use the Regional Info tab to find contact information for people who will talk with you about what kinds of information would be useful to you.

## ***Oregon SBDC Global Trade Center***

Oregon Small Business Development Centers offer assistance in international trade and export resources through the Oregon SBDC Global Trade Center at the Portland Community College SBDC. Visit the website at <https://oregonsbdc.org/global-trade-center/>.

## ***Agricultural Products Marketing***

The [Oregon Department of Agriculture](http://Oregon Department of Agriculture) works to promote, develop, and expand domestic and international markets for Oregon's agricultural and food products. The staff works with producers, cooperatives, and processors, organizes trade missions, hosts incoming foreign business delegates, and connects producers with prospective buyers. For more information, contact them at:

Oregon Department of Agriculture  
Agricultural Development and Marketing Program  
635 Capitol Street NE  
Salem, OR 97301  
503-986-4620  
[Ag.Market@oda.oregon.gov](mailto:Ag.Market@oda.oregon.gov).

The Oregon Department of Agriculture produces the Oregon Agricultural Statistics & Directory, which includes Oregon agriculture data and resources. Visit online to view the [Oregon Agricultural Statistics & Directory](http://Oregon Agricultural Statistics & Directory). ODA has also developed a website that curates resources for new, small, and growing food and beverage businesses: <https://www.oregon.gov/odaroadmap/pages/default.aspx>.

**[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.

**Portland District Office**  
419 SW 11<sup>th</sup> Ave, Ste. 310  
Portland, OR 97205  
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.

***How To Choose a Business Structure***

While there are many different 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 your business is in a regulated industry, contact the appropriate State licensing or regulatory agency.



**Business Organization Structure Types**

	<b>SOLE PROPRIETOR</b>	<b>GENERAL PARTNERSHIP</b>	<b>LIMITED LIABILITY COMPANY</b>	<b>BUSINESS CORPORATION</b>	<b>NONPROFIT CORPORATION</b>
<b>REGISTRATION REQUIRED</b> <sup>1</sup>	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
<b>GOVERNING DOCUMENT</b> <sup>2</sup>	A business plan is recommended	Partnership agreement	Operating agreement	Bylaws	Bylaws
<b>OWNERSHIP</b>	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
<b>LIABILITY</b> <sup>3</sup>	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
<b>MANAGEMENT CONTROL</b> <sup>4</sup>	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
<b>TAXATION</b> <sup>5</sup>	Owner reports and pays taxes on personal tax return	Each partner reports and pays share of taxes, on personal tax returns	Taxed like a sole proprietor or partnership depending upon number of members. May elect to be taxed as a corporation.	Corporation pays taxes on income; shareholders pay taxes on dividends	Nonprofit pays taxes on income, unless tax exempt

**Optional Provisions**

An Oregon Business Corporation, Professional Corporation, or Limited Liability Company upon creation is given the choice of two optional provisions: Benefit Company or Indemnification.

<sup>1</sup> Assumed business name registration required when owner’s “real and true name” is not part of the business name (**Note:** A corporation or limited liability company name is the “real and true name” of the business entity).

<sup>2</sup> Governing documents are internal to the business, they are not filed with the Corporation Division.

<sup>3</sup> Limited liability protection may be forfeited by the courts in cases of fraud or misconduct.

<sup>4</sup> Charities (public benefit nonprofit corporations) must have at least three directors.

<sup>5</sup> Additional business, payroll and property taxes may also apply.



Indemnification is a way to provide limited liability protection to the people whose role is to actively manage, operate, or oversee a company. A structure such as a corporation or limited liability company provides the shareholders or owners with limited liability protection from debts that exceed their investment in the company.

Because those limited liability protections may not automatically extend to people filling the roles of directors, officers, managers, or employees, many companies choose to adopt an indemnification provision in the articles of incorporation or articles of organization to shield themselves from liability. In many cases, the shareholders or owners fill these roles, and may benefit from the additional protections provided by an indemnification provision.

### **Get Professional Advice**

The Secretary of State recommends consulting an attorney for legal advice when setting up a new company or looking at options to protect your business from risk and liability.

### ***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 in addition to profit, wants to consider making a positive impact on society and the environment through the business' decision-making process. Benefit companies differ from traditional corporations and LLCs by adopting a third-party standard, such as those set by B Lab, Benefit Corporations for Good, Green America, or the Global Reporting Initiative (GRI), and by adopting the benefit company status in their articles of incorporation or articles of organization.

The purpose of a benefit company is to create 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.” Third-party benefit company standards generally assess a company's business practices for sustainability, social responsibility, and environmental performance. The benefit company status allows directors and governors to consider social and environmental factors in addition to corporate value and profit.

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 against which to assess performance, 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 assessing how well the benefit company met or exceeded the third-party standard.
- For more information on becoming an Oregon Benefit Company, visit the Secretary of State's website at “[File to Become a Benefit Company](#)”.

### ***Choose a Business Name***

Choosing a business name is separate but related to choosing your structure because when you register your name, you choose your entity type. A sole proprietorship or partnership achieves name recognition by simply registering an Assumed Business Name. But when you register an LLC, corporation, or nonprofit, you are forming a distinct business entity when you register with the Oregon Business Registry.

No matter what name you register with the Secretary of State's Corporation Division, you will protect against someone else registering that name in Oregon. But this process is separate from obtaining an internet domain name, and the

legal rights to a name are another matter. Also, setting up your name for taxes with the IRS and the Oregon Department of Revenue are separate steps.

### ***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. 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. 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.

A business name is “distinguishable” if it does not exactly copy a name already on record. One 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. [The Business Name Availability](#) web page provides more details.

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.

### ***Check Internet Domain Name Availability***

One factor to consider when choosing a business name, that goes beyond its use in Oregon, is the availability of an internet domain name for your business website. Consider using a domain search tool available through a reputable domain registrar (such as GoDaddy, Namecheap, Google Domains, and Bluehost). If the domain you want is available, you may want to secure it early. Once registered with the State of Oregon it will become public record, and it could be claimed by someone else who might want to profit by reselling it to you.

### ***What Are “Real and True” Names?***

A “real and true name” means the first name or initial, 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. See above for a definition of real and true name. Also, if there are words that suggest additional owners, such as “company” or “associates”, the business name must be registered.

Engaging in business activities under an unregistered assumed business name can result in a lack of legal standing in court for pursuing or defending legal actions. This action may also cause problems with various aspects of business, including obtaining licenses, establishing bank accounts, and entering into contracts.

Since an assumed business name is registered by county, there may be identical names in the database associated with different counties. An Assumed Business Name may be registered for all Oregon counties at no extra charge.

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,” “company,” “limited,” or their abbreviation as the entity type designation at the end of the name.

**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 sometimes legal action.

Registering your name **does not** mean you can legally use it. If someone else has trademarked the name, or it is well known as a similar name, you may be infringing on their rights. 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 like yours, but not exactly the same. That does not mean they have a right to use that name.

Your right to your business name is established by using the name over time in business, and possibly with a trademark. It can be enforced as a civil matter by legal action – but **not** by the Secretary of State’s Corporation Division.

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.

It may also be helpful to do a national trademark search at [uspto.gov](#) (click on the Search Mark button). You can find more information on trademarks in the back of this guide.

## **STEP 4 – REGISTER YOUR BUSINESS**

The Oregon Secretary of State's Corporation Division is the place to register your Business Corporation, Nonprofit Corporation, Limited Liability Company, Assumed Business Name, or other entity.

### **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](#). You must keep your business registry active while you are doing business in Oregon. Most entities are renewed every year. The Assumed Business Name is renewed every two years.

[Forms to register](#) are also available online. Submit the completed form and the non-refundable processing fee, payable to the Corporation Division, to:

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

Several delivery options are available for submitting forms, which cannot be sent by email for security reasons.

#### ***Sole Proprietor Registration***

A sole proprietor does not have to register with the Corporation Division unless an Assumed Business Name is used. However, registration may be required by a state agency or by a bank for opening an account.

#### ***General Partnership Registration***

A general partnership does not have to register with the Corporation Division unless an Assumed Business Name is used. However, registration may be required by a state agency or by a bank for opening an account.

#### ***Assumed Business Name Registration***

To register an assumed business name, submit the new registration and its non-refundable processing fee of \$50 to the Corporation Division. The name must be associated with at least one Oregon county, but you can register in all Oregon counties at no additional charge.

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

[Register online](#) or print [ABN registration](#)

#### ***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](#) or print [Articles of Organization](#)

### **Business Corporation Registration**

To form a domestic business corporation in Oregon, submit the articles of incorporation and the 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 completes the filing and returns an acknowledgment to the customer.

[Register online](#) or [Print Articles of Organization](#)

### **Nonprofit Corporation Registration**

To form a domestic nonprofit corporation in Oregon, submit the articles of incorporation-nonprofit and the 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 completes the filing and returns an acknowledgment to the customer.

[Register online](#) or print [Articles of Incorporation-Nonprofit](#)

### **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 for authority to transact business,
- 2) a certificate of existence or similar document, or registry number of 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 (except nonprofits, which pay \$50).

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](#) or print [Application for Authority](#)

### **Register a Trade or Service Mark**

Registering an [Oregon trademark or service mark](#) is another option for protecting your intellectual property at the state level. A [federal trademark](#) creates rights throughout the United States, but it has additional steps and costs. See the section on *Patents, Copyrights and Trademarks* in the section below under “Step 7 – Other Requirements” for more information.

## **Report Beneficial Ownership Information (BOI) to FinCEN**

As of January 1, 2024, most active corporations, LLCs and other businesses formed by filing with a Secretary of State are required to report information to the U.S. government about who ultimately owns and controls them. Reporting is done electronically to the Financial Crimes Enforcement Network (FinCEN) via their website: [www.fincen.gov/boi](http://www.fincen.gov/boi).

A company created or registered after January 1, 2024 must report beneficial ownership within 90 calendar days of notice of creation or registration. A Beneficial Owner is any individual who either exercises substantial control over a company or owns or controls at least 25% of the ownership interest. If a business entity owns or controls at least 25% of a reporting company, then its Beneficial Owner(s) must also be reported.

***What is reported?***

A reporting company must provide the following information about itself:

- The legal name of the company.
- Any assumed business name (DBA or "trade name") used by the company.
- The current street address of its principal place of business. If the principal place of business is not in the U.S., then the company must report the address from which it conducts business in the U.S.
- Taxpayer identification number (TIN or EIN).

A reporting company must provide the following information for each beneficial owner:

- The individual's legal name; date of birth and residential street address.
- A unique identifying number from an acceptable identification document.
- The name of the state or jurisdiction that issued the acceptable identification document.
- An image of the acceptable identification document.

Once a business has reported with FinCEN, they must report any changes within 30 days.

To confirm that your company has to report, and to complete the required report, visit <https://www.fincen.gov/boi>.

For more information, visit: <https://www.fincen.gov/boi> (Includes a FAQ, small entity compliance guide, brochure and more)

Email: [FRC@fincen.gov](mailto:FRC@fincen.gov) or Website contact form: <https://www.fincen.gov/contact>

Phone: 800-767-2825

## STEP 5 – UNDERSTANDING TAX OBLIGATIONS

Understanding your tax obligations is an important consideration for any business. You may wish to seek guidance from a tax professional tax or a certified public accountant to ensure you meet your tax obligations.

Learn about requirements to report personal property (the physical capital owned by your business) to your county assessor’s office. You will also want to check on other taxes that may apply to your business, as described below.

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 will also need a Business Identification Number (BIN), which is your state payroll tax identification number. *If you do not plan to hire employees right away, do not get a BIN.* Register online for a BIN using the [Revenue Online](#) or by submitting a [Combined Employer's Registration](#) form. Please refer to the separate publication, the Oregon [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 the “Personal Property Tax Report” section below 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 Federal Employer Identification Number (SS-4)

To obtain a Federal Employer Identification Number (sometimes called an EIN or FEIN), you can [file online](#) or complete an [SS-4 Form](#). SS-4 Forms are available at all IRS offices, or by mail by calling the IRS at 1-800-829-3676. Be sure you include a daytime phone number on the application, in case additional information is required. Filing is free.

- 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 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 (855)-641-6935  
You will receive your EIN by mail in four to five weeks.



## ***Sales Tax Information***

Oregon does **not** have a state sales tax. The Oregon Department of Revenue provides a website for [information about sales tax](#) that refers to a [self-authenticating “Resale Certificate”](#) that business owners can complete and send directly to vendors for wholesale purchases or to claim sales taxes exemptions 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 how and when you will be required to pay your taxes. It’s a good idea to retain a good Certified Public Accountant (CPA) to help you understand and meet your tax obligations.

This section identifies 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  
800-829-4933  
[irs.gov](http://irs.gov)

#### **For information on Oregon taxes, contact:**

##### **Oregon Department of Revenue**

955 Center Street NE  
Salem, OR 97301-2555  
503-378-4988  
800-356-4222  
[oregon.gov/DOR](http://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 (agricultural businesses may file a Schedule F). 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***

A limited liability company (LLC) files taxes based on their classification. The default classification of a single member LLC is to be taxed as a sole proprietor would be (see Income Tax for Sole Proprietors above). The default classification of a multi-member LLC is to be taxed as a partnership (see Income Tax for Partnerships above). Either a single member or a multi-member LLC may elect to be taxed as a corporation with the IRS and would follow the same income tax rules as a standard corporation or an S corporation, depending on which election is made (see the Income and Excise Tax sections for Oregon corporations and S corporations on the next page).



In Oregon, a couple that owns an LLC together would be treated as a multi-member LLC since Oregon is not a community property state.

### ***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 Oregon Revised Statute (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. 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 or 1-800-356-4222.

### ***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. Alternatively, 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 make 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/programs/property/Pages/personal-property.aspx>.

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**

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 the 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 are 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 800-829-4933.

### State Taxes

In addition to business income taxes and withholding taxes (paid only by employers), you may have additional tax obligations.

For information on state withholding taxes, contact the Oregon Department of Revenue by phone at 503-945-8091 or 800-356-4222, by email at [payroll.help.dor@dor.oregon.gov](mailto:payroll.help.dor@dor.oregon.gov), 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 [wbf.assessments@dcbs.oregon.gov](mailto:wbf.assessments@dcbs.oregon.gov), or [on the internet](#).

### Additional State Taxes

- 1) Transit District Self-Employment tax – paid by non-employer businesses in TriMet or Lane County Transit Districts. Visit the [Oregon Department of Revenue](#).
- 2) Transit District Payroll Taxes for Employers – paid by employers doing business in the TriMet or Lane County Transit Districts. Visit the [Oregon Department of Revenue](#).
- 3) Statewide Transit tax – employers and payers must start withholding tax from employees effective July 1, 2018. Visit the [Oregon Department of Revenue](#) or call (503) 945-8100.
- 4) 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.
- 5) Amusement device tax – paid by owners of establishments with Oregon Lottery video poker machines. Contact the Oregon Department of Revenue at 503-945-8247 or [oregon.gov/dor/programs/businesses/Pages/Amusement-Device-Tax.aspx](http://oregon.gov/dor/programs/businesses/Pages/Amusement-Device-Tax.aspx)
- 6) Alcoholic beverages – contact the [Oregon Liquor and Cannabis Commission](#) at 503-872-5166 or toll-free in Oregon at 800-452-6522.
- 7) Bicycle excise tax – collected by retailer sellers, paid by customers. Visit [oregon.gov/DOR/programs/businesses/Pages/Bicycle-excise-tax.aspx](http://oregon.gov/DOR/programs/businesses/Pages/Bicycle-excise-tax.aspx) or call 503-945-8120
- 8) Cigarette tax and tobacco products tax – paid by distributors, manufacturers, and consumers of cigarettes and tobacco products in Oregon. Get more information online:
  - a. [Cigarette Tax](#) or call 503-945-8120
  - b. [Tobacco Tax](#) or call 503-945-8120
- 9) Dry cleaning fee – paid by owners of dry-cleaning businesses and “dry” stores. Contact [DEQ](#) at 800-452-4011.
- 10) Dry cleaning solvent tax – paid by owners of dry cleaning businesses and distributors of dry cleaning solvents. Contact DEQ at 503-229-6240.
- 11) Emergency communications (9-1-1) tax – telecommunication service providers and retailers who sell prepaid wireless telecommunication services 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.

- 12) Coordinated Crisis Service (9-8-8) tax – telecommunications service providers and retailers must collect and remit payment for the Oregon 988 Coordinated Crisis Service tax from wireless telecommunications service customers. Visit the Oregon Department of Revenue or call 503-945-8120.
- 13) Forest products harvest tax – paid on timber cut from any land in Oregon. Visit the [Oregon Department of Revenue](#).
- 14) 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.
- 15) Hazardous substance fee – paid by possessors of non-petroleum hazardous substances. Visit the [Oregon State Fire Marshal](#) website.
- 16) Recreational Marijuana tax – paid by individuals or firms selling recreational marijuana. Contact the [Oregon Department of Revenue](#) at (503) 947-2597.
- 17) Timber privilege tax – paid by timber owners on harvested timber’s value. Visit the [Oregon Department of Revenue](#).
- 18) State lodging tax – collected by lodging providers and third parties who collect payments on behalf of providers, paid by guests. Visit the [Oregon Department of Revenue](#) or call 503-945-8247.
- 19) Vehicle use tax – imposed on Oregon residents and businesses who purchase vehicles from dealers outside of Oregon. [Visit online](#) or call 503-945-8120.
- 20) Vehicle privilege tax – imposed on Oregon dealers for the privilege of selling vehicles in Oregon. [Visit online](#) or call 503-945-8120
- 21) Public utilities, owned by investors and operating within Oregon, contact the [Public Utility Commission](#) at 503-378-6600 about the annual fee.
- 22) 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.

### **Other Required Contributions**

For information on Unemployment Insurance contributions, contact the Employment Department by phone at 503-947-1488, by email at [OED\\_TAX\\_STATUS@employ.oregon.gov](mailto:OED_TAX_STATUS@employ.oregon.gov), through [Frances Online](#), or by visiting the [Employment Department’s website](#).

For information on Paid Leave Oregon contributions (effective January 1, 2023), contact the Employment Department’s Paid Leave Oregon program by submitting a [request online](#), by email at [Paidleave@oregon.gov](mailto:Paidleave@oregon.gov) or by phone at 833-854-0166, or by visiting [the employer page](#) on the Paid Leave Oregon website. Employment Department, please visit <https://public.govdelivery.com/accounts/OREMPDEPT/subscriber/new>.

## 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 issue a general business license other than the business registration with the Secretary of State. 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 1,500 licenses, permits, registrations, and certifications. It includes some city licenses, but not all. If your initial search yields an overwhelming number of results, the “Filter your results” tool can help narrow them down. A general internet search can be helpful too but specify “Oregon” and/or your city.

#### **License Directory**

Cities and counties may require a license for businesses operating within their jurisdiction. If your business is located or operates within the city limits, check with your city offices to see if a local business license is required. Their website is a good place to start (see the Oregon Blue Book’s list of cities). If there is nothing specific about business licenses, you may call the city hall information number.

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. If you aren’t sure if a license is required, contact the [Office of Small Business Assistance](#).

### ***Construction and 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 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)**

201 High St. SE, Ste. 600  
P.O. Box 14140 (for mail)  
Salem, OR 97309  
503-378-4621  
[oregon.gov/ccb](http://oregon.gov/ccb)

## CCB Requirements

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

### Class of Independent Contractor

- **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 who have no employees and all corporate officers are members of the same family (related by blood, marriage, or adoption).
- Contractors who are licensed as exempt and hire one or more employees, must immediately notify the CCB to change their independent contractor class, and supply the appropriate employer workers' compensation account numbers. Contractors who wish to change from nonexempt to exempt must immediately notify the CCB. Commercially endorsed contractors who are exempt are required by law to carry personal election coverage. (ORS 701.035(5)).

### Employees or Independent Contractors?

All contractors licensed with the Construction Contractors Board have certified independent contractor status 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 at the Department of Consumer and Business Services, 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.

A business with employees must check with some additional agencies to determine its obligations as an employer. Since the definition of "employee" may differ 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, contact 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

To become licensed, apply for licensure by mail, or come in person to the Construction Contractors Board's Salem office.



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

- Completed application form
- U.S. Government issued identification
- Payment of the correct fee
- A surety bond
- A Certificate of General Liability Insurance
- Completion of any required education and passage of a state test

### ***Regional Contractor’s Business License for Portland Metro cities***

Generally, individual cities may each require their own licenses for contractors operating in their jurisdiction, but Portland’s Metro area government has set up a single [Regional contractor’s business license](#) that allows work in any of the 20 cities surrounding Portland (just not Portland itself). Visit their [website](#) for the application and more information.

### ***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 granted to the person that supervises all landscaping work performed by a landscape contracting business. The LCP license is obtained after passing an exam showing minimum 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, and 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 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: [lcb.info@lcb.oregon.gov](mailto:lcb.info@lcb.oregon.gov)

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. 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 that 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 Independent Contractors?

Oregon Law, ORS 671.525, requires a business to qualify as an independent contractor under ORS 670.600 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 at the Department of Consumer and Business Services, 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.

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, carefully read 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

- **Completed application form** (<https://www.oregon.gov/lcb/Pages/Apply-License.aspx> )
- **Application Fee**
- **License Fee**
- **Business name** registered with the State Corporation Division
- **List of all owners**
- **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 \$500,000
- **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 Oregon [Department of Environmental Quality](#) and the [Oregon State Fire Marshal](#), if your business will handle hazardous wastes. See “Dealing with and substances. 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, certification, licensing, or regulations if your business activity involves any of the following:

- Putting wastewater into rivers and streams
- Disposing of wastes on land or into the ground
- Stormwater runoff associated with clearing, grading, excavation, or construction activities
- Stormwater runoff from industrial activity
- Emitting air pollutants, including potential nuisance odors
- Removing or disturbing asbestos-containing material; see [DEQ Asbestos Information](#)
- Operating a landfill or other solid waste disposal site, transfer station, incinerator, material recovery facility, solid waste treatment facility, energy recovery facility, composting facility, or septic lagoon for non-hazardous wastes
- Storing, using, or transporting waste tires
- Owning an underground storage tank, either in use or out of use
- Contracting to work on an underground storage tank, including testing or cleaning up of petroleum-contaminated soil, requires a license from DEQ
- 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 800-452-0311, **not** DEQ.

For information about handling or storage of petroleum products, visit the [Oregon State Fire Marshal](#) website 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](#).

To file a pollution complaint, see <https://www.oregon.gov/deq/Get-Involved/Pages/File-Pollution-Complaint.aspx>. For other hazardous waste technical assistance, visit the [Oregon Department of Environmental Quality](#).

**Oregon Department of Environmental Quality**  
700 NE Multnomah St., Ste. 600  
Portland, OR 97232

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

## ***DEQ Small Business Assistance***

The Oregon DEQ [Air Quality Small Business Assistance Program](#) provides technical assistance to address and prevent air quality violations at unpermitted or small sources. The program helps small businesses understand what permitting requirements apply to their industry sector and find practical, cost-effective solutions to their environmental concerns.

The Small Business Coordinator works with trade associations, interest groups, suppliers, and business owners with 100 or fewer employees. The program also represents the needs of small business in regulations across industry sectors and ensures that small business interests are represented during DEQ's rulemaking. For more information visit the DEQ Small Business Assistance Program at <https://www.oregon.gov/deq/aq/aqPermits/Pages/BAP.aspx>.

## ***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 Oregon State Fire Marshal***

The [Oregon Community Right to Know and Protection Act](#) directs the [Oregon 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 the 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 - 500 gallons or more
- Gases - 500 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
- Solids - 10 pounds or more
- Gases - 20 cubic feet 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.

[Reports can be submitted in the CHS Manager located here.](#)

For more information on the Oregon 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 5:00pm, Monday through Friday, excluding state holidays.

## ***Comply with the 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. The State of Oregon also has anti-discrimination laws that affect business owners. Check the resources below for more information.

### ***General Information***

For general information on the ADA, contact:

[Oregon Department of Agriculture](#) Food Safety Program – [Pets in Stores Poster](#)  
635 Capitol St. NE  
Salem, OR 97301  
503-986-4720

[Northwest ADA & Information](#)  
Technology Center, CDRC/OHSU  
PO Box 574  
Portland, OR 97207  
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](http://ada.gov)  
800-514-0301 (Voice)  
800-514-0383 (TTY)

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

[ADA.gov Information & Technical Assistance](#)

U.S. Department of Justice  
950 Pennsylvania Ave. NW  
Washington, DC 20530  
800-514-0301 (voice)  
800-512-0383 (TTY)

## ***Patents, Copyrights, and 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 [U.S. Patents and Trademark Office](#), in the Department of Commerce. A patent gives an inventor the right to exclude others from making, using, or selling the invention in the United States, its territories, and possessions.

The U.S. Patents and Trademark Office 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 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 Trademarks 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 is renewable.

Please allow three to five 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 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](http://ascap.com)

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

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

## Consider Insurance for your Business

There are many types of insurance designed to cover the unique risks of operating a business.

Common insurance needs include:

- Commercial liability insurance – for claims of injury or damage caused by your business
- Property insurance – to protect your business from damage to your physical space or equipment
- Business interruption insurance – to cover fixed costs when you can't operate due to unforeseen events
- Commercial auto insurance – to cover delivery or transport services or vehicles not covered by personal auto insurance policies
- Workers' Compensation – protection for workers injured on the job
- Health insurance for employees – an expectation for employers
  - See STEP 8, HIRING EMPLOYEES, in the section below: "Employee Health Insurance Assistance."

Oregon's Division of Financial Regulation provides a [business insurance website](#), and the US Small Business Administration's [Get Business Insurance](#) page has an overview and "Four steps to buy business insurance."

Finding the right insurance for your business can start with an insurance agent you know, but you may require referrals and more research. As with other tasks, you can find guidance through business advisors like your local [Small Business Development Center](#) or [SCORE.org](#).

## Complying with Oregon's Unclaimed Property Law

Oregon's Unclaimed Property Program has protected consumer rights in Oregon and reunited people with their forgotten assets for over 60 years. The statewide program, which was transferred to the Oregon State Treasury from the Department of State Lands in 2021, helps safeguard individual's unclaimed funds until they can be claimed by their rightful owner.

Common types of unclaimed property include:

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

Property becomes unclaimed when organizations that hold funds for someone else lose contact with the owners. Every year Oregon governments, businesses, and nonprofits make attempts to connect individuals with their property. When their efforts are unsuccessful, these organizations are legally required by ORS 098 to report any unclaimed funds to the state. Oregon's annual unclaimed property reporting window runs from October 1 to November 1. All Oregon businesses— no matter their size — are required by law to report unclaimed funds to the state during this period. The same goes for state agencies, local governments, and nonprofits that hold unclaimed property.

Learning how to report unclaimed property is easy. The [Unclaimed Property website](#) has information about reporting requirements, annual summer trainings, holding periods for different types of property, and instructions for requesting a reporting extension. To connect with our program staff, visit [unclaimed.oregon.gov/app/contact-us](https://unclaimed.oregon.gov/app/contact-us).

## ***Oregon Consumer Information Protection Act***

Oregon law requires individuals, businesses, and organizations that own, license, maintain, store, manage, collect, process, acquire, or possess personal information to follow requirements that help protect consumers from identity theft.

Personal information is a consumer's name combined with one or more of the following data elements, if the data elements are not encrypted, redacted, or rendered unusable, or if the data elements are encrypted and the encryption key has been acquired:

- Social Security Number
- Driver license or state identification card number issued by the Oregon Department of Transportation
- Passport or other identification number issued by the United States
- Financial account, credit card, or debit card number combined with any security code, access code, or password that would allow access to a consumer's financial account
- Data from automatic measurements of a consumer's physical characteristics, such as an image of a fingerprint, retina, or iris, that are used to authenticate a consumer's identity
- Health insurance policy or subscriber identification number along with any other unique identifier that a health insurer uses to identify the consumer
- Information about a consumer's medical history or mental or physical condition, or about a health care professional's medical diagnosis or treatment of the consumer

Any data element or combination of data elements is also personal information even without the consumer's name, if the information has not been encrypted, redacted, or rendered unusable and the information would enable a person to commit identity theft against the consumer.

Finally, a username or other identification method together with any authentication method is also personal information.

If you handle personal information while conducting your business, you must protect it by developing, implementing, and maintaining reasonable safeguards, including the proper disposal of personal information. If you are an owner of a small business (100 or fewer employees), you already comply with the reasonable safeguard requirements if your information security and disposal program contains the administrative, technical and physical safeguards, and disposal measures appropriate to the size and complexity of your business, the nature and scope of its activities, and the sensitivity of the personal information it collects.

Oregon law prohibits the printing of Social Security Numbers (SSNs) on any documents mailed to but not requested by the consumer. If the consumer requests mailed documents that contain an SSN, you must redact the number. Further, you cannot print an SSN on a card used by the consumer to access products or services, nor can you publicly display or post (such as on a website) an SSN unless you redact it.

When disposing of, or transferring to another person for disposal, material or media that display a consumer's SSN, you or the person who ultimately disposes of the material or media must make the SSN unreadable or unrecoverable.

If you experience a data security breach, you must notify affected consumers of the breach expeditiously and without unreasonable delay, but no later than 45 days after discovering or receiving notification of the breach. If the breach affects over 250 people, you must also notify the Oregon Attorney General in writing or electronically. These notification requirements, however, do not apply to certain businesses and organizations, including those who are subject to and comply with regulations under the federal Gramm-Leach-Bliley Act or the Health Insurance Portability and Accountability Act (HIPAA), though they must still provide the Oregon Attorney General a copy of the notice sent to consumers or other regulators for breaches affecting over 250 people.



Anyone who violates the OCIPA may incur a civil penalty of up to \$1,000 for each violation and up to \$500,000 for a continuing violation. 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 888-877-4894 (toll free in Oregon)

For IRS 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 *Oregon [Employer's Guide](#)* 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 taxes? If you pay someone to work for you, oversee how 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 unincorporated organization. Religious, educational, charitable, and social organizations can also be employers, even though they may be exempt from paying income tax.

If you are an employer, please review the companion publication, *Oregon [Employer's Guide](#)* 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 an independent contractor, go to the Oregon Independent Contractors website ([oregon.gov/ic](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 requirements. (ORS 316.162)

#### ***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 an independent contractor, go to [oregon.gov/ic](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 a) be free from direction and control, and b) be customarily engaged in an “independently established business” (“3 of 5 test”).

***Internal Revenue Service (IRS) Independent Contractor Definition***

The Internal Revenue Service (IRS) looks to common law rules to determine whether an individual is an employee or an independent contractor. IRS Publication 15-A outlines the process for making the proper determination. 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/](http://irs.gov/)

If you plan to hire employees within the coming fiscal quarter, you will also need to apply for an Oregon business ID number (BIN). You will need to supply your EIN as part of the BIN application process.

*NOTE: If you do not plan to hire employees within the coming fiscal quarter, do not get a BIN, because the BIN creates an obligation to file quarterly reports, with penalties if they are missed.*

To obtain a BIN, apply through [Revenue Online](#). Under Quick Links, click “Register and Apply”, then find the BIN under “Registrations.”

If you have any questions regarding Oregon’s BIN/payroll reference number, contact the [Oregon Department of Revenue](#).

***Oregon Minimum Wage***

In 2016, the Oregon Legislature made significant changes to the state minimum wage law. In addition to a new “standard” state minimum wage rate, the law sets out separate wage rates that apply to employers who employ employees in an urban growth boundary (UGB) of a metropolitan service district in the state (currently, only the Portland metropolitan area has such an urban growth boundary), and to employers with employees in specific “nonurban” counties identified in the law. Minimum wage rates have been established for the three minimum wage regions, increasing July 1 of each year through June 30, 2022. Effective July 1, 2023, the state “standard” minimum wage rate will be adjusted annually based on any increase to the U.S. City Average Consumer Price Index for All Urban Consumers, with the UGB rate set at \$1.25 per hour over the standard minimum wage rate, and the “nonurban county” rate at \$1.00 per hour less than the standard minimum wage. The state agency responsible for enforcement of minimum wage and hour laws in Oregon is the Bureau of Labor and Industries (BOLI). For more information about Oregon’s current or scheduled minimum wage rates, please visit <https://www.oregon.gov/boli/workers/pages/minimum-wage.aspx>. You can reach BOLI by phone at 971-673-0824 or [employer.assistance@boli.oregon.gov](mailto:employer.assistance@boli.oregon.gov)

## 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.

The first step to considering whether to offer health coverage to your employees is to understand the health coverage options available in Oregon:

- **Employer-sponsored group coverage**
  - Small employers with 50 or fewer employees may be eligible for small group coverage.
    - If you have fewer than 25 FTE (full-time equivalent), you may be eligible for the Small Business Health Care Tax Credit (see below).
  - Large employers with more than 50 FTE must offer employer-sponsored health coverage to their employees that meets the [employer shared responsibility provisions](https://www.go.usa.gov/xt335) ([go.usa.gov/xt335](https://www.go.usa.gov/xt335)).
- **Individual health coverage**
  - Oregon Health Plan
    - Individuals and families who work part time may qualify for Oregon's Medicaid program, also called the Oregon Health Plan, which is free coverage for low-income Oregonians.
    - To find out more about the Oregon Health Plan visit [OHP.Oregon.gov](https://www.OHP.Oregon.gov).
  - Private health insurance
    - People who are not offered employer-sponsored health coverage, Oregon Health Plan, or Medicare can purchase health coverage through a health insurance company or through the Marketplace.
    - Financial help is only available through the Marketplace to reduce the monthly premium and out-of-pocket costs.
    - American Indians and Alaskan Natives may qualify for [additional savings and protections](#) through the Marketplace.
    - Oregonians can preview plans and savings available to them at [OregonHealthCare.gov/WindowShop](https://OregonHealthCare.gov/WindowShop).
  - Medicare
    - Federal health coverage program through Social Security for people who are 65 or older, are on Social Security Disability for 24 months, or have end-stage renal disease (ESRD).
    - For assistance with Medicare, contact the Oregon Senior Health Insurance Benefits Assistance (SHIBA) program at 800-722-4134 (toll-free) or visit [SHIBA.Oregon.gov](https://SHIBA.Oregon.gov).
- **Association health plans**
  - Association health plans allow many small- to medium-sized companies to come together under one health plan, potentially reducing costs and increasing benefit options.
  - There are regulations around these entities and criteria to participate, but coverage is not regulated or guaranteed for essential health benefits or pre-existing conditions.
- **Health reimbursement arrangements**
  - HRAs allow employers to contribute pre-tax funds to help employees pay for medical expenses.

### Small-group coverage

Small-group coverage is available year-round, unlike individual health insurance, which has a set enrollment window.

If you have at least one employee who receives a W-2, you can purchase coverage for yourself and your workers at any time. Small businesses with one to 50 employees can purchase a plan from any insurer offering a small-group plan in Oregon. Employees and family members who are offered employer-sponsored coverage likely are not eligible for financial assistance through HealthCare.gov.

If you are not currently offering health insurance, but you want to get an estimate of what offering coverage through a Marketplace-certified plan may cost, use our premium calculator

(<https://healthcare.oregon.gov/marketplace/employers/Pages/SHOP-calculator-2024.aspx>). You can then use that information to use the tax credit estimator (<https://www.healthcare.gov/shop-calculators-taxcredit/>).

If you need help getting more information about these plans or other available options, please contact a licensed agent. You can find a local agent at [OregonHealthCare.gov/GetHelp](https://OregonHealthCare.gov/GetHelp).

### ***Coverage for family members***

Can your organization sponsor health coverage for additional family members? If not, the family may get a better deal through HealthCare.gov (possibly getting financial assistance) or through the Oregon Health Plan if they are eligible, rather than being offered full-cost coverage through a family member's employer.

### ***Don't have employees?***

An individual can apply for financial help and enroll in individual coverage through HealthCare.gov:

- During open enrollment, Nov. 1 to Jan. 15.
- Year round through the Oregon Health Plan.
- During a special enrollment period. This is a 60-day period that can be triggered by certain life events, such as getting married, having a baby, or losing other health insurance coverage.

### ***Health Care Tax Credit***

Small businesses with fewer than 25 full-time employees may be eligible for the Small Business Health Care Tax Credit if they choose one of the small-group plans certified by the Oregon Health Insurance Marketplace. If your business qualifies, the tax credit may cover up to 50 percent of the employer paid premiums.

**Tax-exempt nonprofits** also qualify for a tax credit up to 35 percent of premiums paid. For nonprofits, the credit is a refund on quarterly payments made to the IRS for income tax withholdings or Medicare withholdings from employee wages.

### ***Get free expert help***

Health coverage experts are available to assist individuals and employers evaluate their health coverage options, apply for coverage and financial help, and enroll in health coverage. Find an expert for free help near you at [OregonHealthCare.gov/GetHelp](https://OregonHealthCare.gov/GetHelp) or contact the Oregon Health Insurance Marketplace at 855-268-3767 (toll-free).

### ***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 and 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. Their focus is to provide information as requested by Oregon businesses related to the labor market in general, and they 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 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. This includes business ownership characteristics, competitive wage rates, inflation indexes, projected future employment for jobs, and how changes in the economy affect them. The Department's Workforce and Economic 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 at qualityinfo.org](http://qualityinfo.org).

### ***OregonSaves***

OregonSaves is the state of Oregon's retirement savings program that provides Oregonians with an easy and automatic way to save for the future. Employers that do not offer a workplace retirement plan now have an easy way to help their employees save for retirement, with no employer fees, no fiduciary responsibility, and minimal ongoing responsibilities (just add employees and submit employee payroll contributions). The program can also help level the playing field when you compete to attract and retain employees.

Eligible employers of all sizes can register for OregonSaves at any time. All Oregon employers must (1) register, if they don't already offer a workplace retirement plan, or (2) certify their exemption, if they already offer a plan or have no W2 employees.

The registration deadline has passed for all Oregon employers. Don't delay—you can still register today! Visit [www.oregonsaves.com](http://www.oregonsaves.com) for more information, to register your business, or claim exemption. Call 844-661-1256 for our customer service center.

OregonSaves is administered by the Oregon Treasury Savings Network (OTSN), which is a division of the Oregon State Treasury.

## **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 when needed, [update their registration](#) information while they are doing business in Oregon.

Many occupational or business licenses require annual renewal or recertification. Check with your licensing agency or board or visit the [Business Xpress License Directory](#) to find yours.

You can sign up to have your business registry renewal notices emailed to you. For more information go to <https://sos.oregon.gov/business/Pages/electronic-renewal-notices.aspx>.

Nonprofit charitable organizations need to file annual reports with the [Oregon Department of Justice \(DOJ\) Charitable Activities Section](#), and the [Internal Revenue Service](#). Visit these websites for more information.

# OREGON COUNTIES MAP



Visit online for a list of [county web pages and phone numbers](#)



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