



Basic Steps to Starting a Business

Step 1. **Define the Business:** For whom, doing what, how and where

Step 2. **Choose a Business Name.** If you are planning on using a website, then you should consider registering your trade name and logo with the U.S. Patent and Trademark Office. You can do the basic research at www.uspto.gov but will ultimately have to do a formal filing. The last thing that you want to happen is to receive a letter from some lawyer telling you to stop using the name you have chosen as it is trademarked.

Step 3. **Choose and Register Your Legal Structure:** The choices of legal structure for a business are:

Sole Proprietorship (Trademark filing is optional with Secretary of State)

The following are registered with the Secretary of State, www.sos.state.nm.us who clears the name only in the state.

Partnership

Limited Partnership

Limited Liability Partnership

Corporation (C-Corporation)

Limited Liability Company

C corporations who wish to elect S corporation status should complete IRS form 2553 once their C corporation registration has been filed.

Step 4. **Obtain your Federal Employers Identification Number (FEIN) from the IRS:** The application forms, SS-4, are available at www.irs.gov, by telephone, fax, the local IRS office or contact your closest SBDC for further assistance.

Step 5. **Register with the State Taxation and Revenue for CRS tax number:**

<http://www.tax.newmexico.gov/Businesses/register-your-business.aspx>

Step 6. **Obtain your Business License and Other Applicable Licenses**

Step 7. **Report New Hires to the New Mexico New Hires Directory:** Federal and State law requires employers to report newly hired and re-hired employees in New Mexico to the New Mexico New Hires Directory.

<http://newhire-reporting.com/NM-Newhire/default.aspx>

Step 8. As soon as you start paying employee wages you need to fill out form ES802 online with the New Mexico Department of Workforce Solutions.

<http://www.dws.state.nm.us/Business/Publications/Forms>

Step 9. If you have employees, contact the IRS and your State Taxation and Revenue Office or a tax accountant for the appropriate forms and rates for the following: State Unemployment Tax (SUTA), Federal Unemployment Tax (FUTA), Federal Income Tax (FIT), State Income Tax (SIT) if applicable, Social Security Withholding (FICA), Medicare withholding, Immigration and Naturalization Service (INS) Form I-9 for Employment Eligibility Verification.

Step 10. Check with an Attorney Regarding Leasing Agreements, Contracts, Patents, Copyrights, Intellectual Property and Licensing Agreement Requirements.

Step 11. Determine the Necessary Guidelines for Compliance with Title I and Title III of the Americans with Disabilities Act (ADA): The latest information on this can be obtained on the following web site: **http://www.ada.gov/2010_regs.htm**

Step 12. Establish a Business Bank Account: If you plan to accept credit cards it may be necessary to setup a Merchant account.

Step 13. Check your Insurance Coverage: The following are some, but not all, insurance policies you might consider:

Property and Liability Life and Health: Basic and Major Medical

Business Interruption Disability Income and Key Person

Product and professional liability Insure major equipment for replacement value

Comprehensive general liability (umbrella policy) Worker's Compensation: Required with 3 or more.