

GETTING STARTED

We encourage you to take advantage of free business resources at the state, regional and local level as you develop a business plan. If you do not have a computer, your local library will gladly help you access the following websites.

Commonwealth of Virginia: Visit the Virginia Business One Stop website for both general and state-specific recommendations and requirements:

www.businessonestop.virginia.gov

Regional: The Lord Fairfax Small Business Development Center is a free community resource for prospective and existing business owners. Services include business plan development and ongoing strategies for success. Help is available on a confidential one-on-one basis and through group settings. Visit www.lfsbdc.org or call 540-868-7093.

City of Winchester: You are welcome to visit us in person or through our website: www.winchesterva.gov/starting-business. Prior to leasing or purchasing property, we recommend you check with the City's Planning & Zoning Department to learn about selecting and finalizing a business location. You must obtain a Zoning Use Permit (ZUP) prior to conducting business at the site. If planning to work from home, you must also inquire about a ZUP. Contact Economic Redevelopment to learn about any potential incentive programs for which you may qualify.

GENERAL INFORMATION

BUSINESS NAME AND TYPE

Determine business type such a sole proprietor (individual), partnership, limited liability or corporation. Determine business name and trade name, if applicable.

REGISTER A PARTNERSHIP OR TRADE NAME

You must register partnerships and trade names with the Clerk of the Circuit Court. For fees and information visit Winchester office at 5 North Kent Street or call 540-667-5770.

REGISTER A CORPORATION

All corporations conducting business in Virginia must register with the State Corporation Commission. Visit www.scc.virginia.gov or call 804-371-9577

FEDERAL EMPLOYEE IDENTIFICATION NUMBER

Every employer must have an FEIN. To apply, file federal form SS-4, available online at www.irs.gov. Contact the IRS by telephone at 800-829-1040.

EMPLOYEE TAXES

FICA: Employers are required to withhold Social Security taxes from employee wages. You are responsible for remitting both the employee and employer portions whether or not they have been collected.

FUTA: The unemployment tax is assessed on the employer only. Make quarterly deposits to an authorized bank using Form 8109. You must file the annual return on Form 940 by January 31.

INCOME TAXES: You are required to withhold and remit income taxes for your employees.

WORKERS COMPENSATION

Any employer who has three or more regular employees must furnish workers' compensation insurance coverage at no cost to employees. Visit www.vwc.state.va.us, call 877-664-2566 or email questions@workcomp.virginia.gov.

INDIVIDUAL, PARTNERSHIP & CORPORATE INCOME TAX

You must file individual (Schedule C for sole proprietor), partnership and corporate income taxes with the IRS. For more information, see IRS Publication 334, Tax Guide for Small Businesses, or consult your tax professional.

VIRGINIA INCOME TAX

State Income Tax is based upon the Federal Income tax return. Forms and instructions are available through the Commissioner of the Revenue or www.tax.virginia.gov. Limited assistance is also available through our office. State taxes are due May 1st.

RETAIL SALES TAX

Every individual or business engaged as a retail dealer in Virginia is required to obtain a Certificate of Registration from the Virginia Department of Taxation. You must collect the retail sales tax, make regular deposits and file appropriate reports. Most filings are due by the 20th of each month.

ALCOHOLIC BEVERAGE LICENSE

The ABC issues licenses for the manufacture, transport, importation, and wholesale/retail sales of spirits, wine and beer. Visit www.abc.virginia.gov or call 804-213-4400.

LOCAL TAXES

Forms and information are available through our office and website.

The Commissioner of the Revenue encourages you to file and remit all local taxes in a timely manner to avoid costly penalties and interest. The City imposes 10% late filing/late payment penalties and 10% annual interest.

BUSINESS LICENSE TAX

The Business, Professional and Occupational License (BPOL) is a tax on the privilege of conducting business and engaging in certain professions, trades and occupations. Rates vary with business type and most licenses are based upon gross receipts. You must file and pay within 30 days of starting business and renew annually on or before March 1st. You may need more than one license depending upon nature of business activity.

BUSINESS TANGIBLE PERSONAL PROPERTY

This tax is levied on tangible property employed in a trade or business, including furniture, fixtures, office and kitchen equipment, machinery and tools. You must file an annual itemized return by May 1st listing each item, date of acquisition and original cost. Payment is due December 5th.

MOBILE PERSONAL PROPERTY TAX

Each person or business owning a motor vehicle, boat, airplane, trailer or other mobile property is responsible for registering with the Commissioner of the Revenue. Personal property taxes are assessed annually using professional guides such as NADA.

MEALS TAX

Every restaurant, caterer, convenience store, bakery, grocery delicatessen or other entity engaged in the business of selling ready-to-eat prepared food and drinks must register with the Commissioner of the Revenue, collect meals tax from customers, and file and remit by the 20th of each month.

TRANSIENT OCCUPANCY TAX

Every hotel, motel, bed & breakfast, or other lodging place that, for compensation, furnishes lodging to transients must register with the Commissioner of the Revenue for transient occupancy tax. This includes operators through online rentals such as airbnb and VRBO. Transient occupancy tax is charged to customers and must be filed and remitted by the 20th of each month.

ADMISSIONS TAX

Any business that regularly or occasionally charges admission fees for amusement or entertainment – including restaurant cover charges – must register with the Commissioner of the Revenue for admissions tax.

SHORT TERM RENTAL

If your business is engaged in daily or short-term rental of tangible personal property, you may need to register with the Commissioner of the Revenue for short-term rental tax.



NEW BUSINESS GUIDE

Filing and License
Requirements that
may be applicable
to your business

Commissioner of the Revenue
Ann T Burkholder
Creamery Building
21 S Kent Street, Suite 100
Winchester, VA 22601

(540)667-1815 #4
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www.winchesterva.gov