



Charting the course to small business success

BUSINESS CHECKLIST

After researching your business idea and writing your business plan, use the checklist below to guide you through the steps of establishing your business. It is good, sound business judgment to seek advice from an accountant and/or attorney before starting a business. You can also refer to the Info page within the Atlas Alabama site for additional information and resources on any of the following topics.

CHOOSE A NAME AND STRUCTURE

- Businesses in Alabama are required to choose an available name with the Office of the Secretary of State. A business name is not available if it is already being used by an existing registered business. There is a search tool for available names which you can access by visiting the [Secretary of State's Website](#).
- One of the first decisions to make when starting a business is to **choose a legal structure** for your business. The particular structure you choose may save you money and provide greater protection of your personal assets. Visit the [Business Entities page](#) within the Atlas Alabama site for more information on different business structures.

REGISTER YOUR BUSINESS

- Most business types must register with the Alabama Secretary of State and the Alabama Department of Revenue to operate in the State of Alabama. For more information visit the [Alabama Secretary of State's website](#) and the [Alabama Department of Revenue's website](#).
- Many cities and counties also require registration for individuals and firms conducting business within their jurisdiction. Consult your local county and city clerks for any local registration requirements.

GET YOUR TAX NUMBERS

- Obtain a Federal Employer Identification Number from the Internal Revenue Service (IRS). You can obtain a EIN by visiting the [Internal Revenue Service's website](#).
- Obtain a Alabama Income Tax Withholding Number from the Alabama Department of Revenue. To request your Alabama Income Tax Withholding number please [download this form](#).
- Obtain a Alabama Sales Tax Number. If you sell personal property to a user and collect sales tax you must have an Alabama Sales Tax Number. For more information on acquiring an Alabama Sales Tax Number go to the [Alabama Department of Revenue's website](#).
- Many cities and counties also impose taxes for individuals and firms conducting business within their jurisdiction. Consult your local county and city clerks for any local tax requirements.

FIND INSURANCE REQUIREMENTS AND COVERAGE OPTIONS

- If you hire employees, your business is required to register for un-employment insurance to operate in Alabama. For more information visit the [Alabama Department of Labor's website](#).
- If you have more than 4 employees, your business is also required to obtain workers compensation insurance. Visit the [Alabama Department of Labor website](#) for more information.

OBTAIN THE APPROPRIATE LICENSES AND PERMITS

- Most businesses in Alabama are required to have at least one license or permit to operate. Check with your occupational board or try using the [Atlas Alabama Wizard](#) to narrow down licenses or permits to legally operate your business.
- If your business is involved in activities supervised/regulated by a federal agency you will also need to **obtain federal licenses** to operate. Visit the [Federal Licenses/Permits](#) page on the SBA.gov website for more information.
- Acquire environmental permits if your business will use or produce any chemicals or materials that could be considered hazardous or have a significant impact on the environment. Visit the [Environmental Protection Agency website](#) for more information.
- Many cities and counties also impose requirements for individuals and firms conducting business within their jurisdiction. Consult your local county and city clerks to find out if you must obtain a local business license and to check for compliance with building codes and local zoning requirements.

LEARN ABOUT YOUR EMPLOYER RESPONSIBILITIES

- Research and understand your employer tax obligations with the Internal Revenue Service and the Alabama Department of Revenue.
- Display mandatory posters in a conspicuous location in your place of business: Safety and Health on the Job; Wage and Hour; Unemployment Insurance; Equal Opportunity; and Fair Housing.
- Your business is required to report new hires to both Federal and Alabama governments.
- Your employees must fill out an **Employment Eligibility Verification Form (I-9)**.
- Make sure you are in compliance with the **Americans with Disabilities Act (ADA)**.
- Make yourself aware of occupational safety and health regulations that may impact your business.