

Are There Laws For Running A Homebased Business?

By Bob Brolhorst

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The answer is no, but there are some things that you need to know before you get started.

- 1) Check with the city in which you will be starting your business. If your business will be home-based, you may not need a license, but only a permit or a home occupation permit. In some cities, you don't even need a permit.
- 2) Then check with your county, as the county requirements generally over rule that of the city.
- 3) Finally check with your state. If you hire anyone or give yourself a paycheck, you need a Federal Employer ID number (FEIN).
- 4) Always start with the zoning department. If you live in a residential area, a home-based business may not even be allowed, or only certain types of home-based businesses may be allowed.
- 5) Ask the experts by making a few phone calls. Don't rely on answers from others in your area who have businesses. Ignorance of the law doesn't hold up in court. And the fines can be pretty large.
- 6) Another piece of advice, even if your city doesn't require a permit or license, your insurance company may require registration of some sort before issuing a liability policy for you. Liability insurance is something you can not be without.
- 7) Obtain the services of a good attorney. They will be able to advise you on such issues as whether to incorporate or not, or whether being a sole proprietor would be better. Also you may need to have legal contracts drawn up so keep a lawyer on retainer, it will be money well spent.
- 8) Trademarks for your business may also be necessary, but this is something that your attorney can help you with.

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