



Business Legal Filings and Licenses

By Kali Steele

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Prof. Jackie Barry

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Overview of Necessary Licenses for a Sole Proprietor in Texas



EIN

Register for an Employer Identification Number
(Or use your personal SSN)



DBA

Set up your “Doing Business As” name, so that state knows who you are.



Seller's Permit

If planning to resell items, register for a Texas Sales and Use Tax Permit
(optional)

EIN or SSN

- ❖ An EIN (Federal Tax ID Number) isn't required, since a sole proprietor can simply use their Social Security Number. However, if the owner prefers to not use their SSN, or would like to prepare to have a larger business in the future, then the EIN is a good option.
- ❖ Name of Form: EIN (Employment Identification Number)
- ❖ Location to File: Online at <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- ❖ Cost to File: \$0

DBA- “Doing Business As” Form

- ❖ This allows you to assume a business name instead of your personal name. It's best if this “Doing business as” name is unique. Once you choose your DBA name, you must file it under the “Assumed Name Certificate” Form 503 and submit it to your Local County Clerk to claim it. Note that the business name should be unique but does not protect your name to not be used by others.
- ❖ Name of Form: Form 503
- ❖ Location to File: Local County Clerk-
 - ❖ Harris County Clerk's Office 201 Caroline St
Houston, TX 77002
713.274.8600
 - ❖ www.cclerk.hctx.net
- ❖ Cost to File: \$24 + \$0.50 for each additional owner's name listed after the first (If doing a general partnership)

Texas Sales and Use Tax Registration

- ❖ If the company is planning on selling items, or reselling items to the customer, they must register for Texas Sales and Use tax. This is a free registration.
- ❖ Name of Form: EIN (Employment Identification Number)
- ❖ Location to File: Online at <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- ❖ Cost to File: \$0

Conclusion

- ❖ The EIN is optional, an owner may forego this form, and use their Social Security Number instead
- ❖ A DBA should be filed with the local county clerk in the appropriate municipal.
- ❖ A seller's permit can be obtained but is only necessary if planning to resell items.
- ❖ Overall, the only thing needed to start a sole proprietorship in Texas, is the “Doing Business As” form. Since the business and owner are one and the same, taxes are also filed under the owner's personal taxes. These forms, since only one is necessary, do not have to be filled out in a specific order, and can be filled out as needed with the company's development. With only the cost under \$25, it is quite easy to start your own business in America, especially Texas!

Works Cited:

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