

LICENSING RESOURCES FOR SMALL BUSINESS

Licensing and Assistance Resources

Iowa registration and licensing requirements are outlined below. For more complex requirements, consider consulting a qualified professional for assistance and further explanation in identifying applicable requirements and how to fulfill them. Additional information may also be found at www.iasourcelink.com/regulatory/business-license-home.

Business License Information Center

IASourceLink.com connects new and existing small businesses with assistance in identifying registration and licensing requirements. Iowa does not use a general business license. Compliance requirements are determined by the specific activities and operations of the business. Whether a newly established start-up or an expanding small business, the Business License Information Center at IASourceLink is a valuable resource that provides comprehensive online licensing resources. Personalized assistance is available toll free at 800.532.1216.

Building Your Business

The IASourceLink Resource Navigator is an online, self-directed way for entrepreneurs and small business owners to access technical assistance and financial resources. For personalized service, call the Business Concierge to facilitate a referral to Iowa's statewide network of resource providers and to access expert knowledge on marketing demographics. Call toll free at 866.537.6052.

Commonly Required Registrations

Business Structure

Each business structure has specific legal and tax implications. The Iowa State Bar Association's overview of starting a business outlines the most commonly used entities and can help you identify the one best suited for your business. Additional details are available online at SBA's Choose Your Business Structure, www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/choose-your-business-stru.

Register with Iowa Secretary of State

Corporations, limited liability companies, limited partnerships, nonprofits, trademarks or service marks are required to register with the Iowa Secretary of State. Visit Iowa Secretary of State's business registrations online to locate forms and learn more from the frequently asked questions section, <http://sos.iowa.gov/business/FormsAndFees.html>.

Register with County Recorder

Sole proprietorships need to register with the county recorder. Access an online directory of county officials at www.iowacounties.org/member-resources/county-directory/ to locate a local recorder.



Tax Requirements

Iowa Sales Tax Permit

Retailers making taxable sales in Iowa are required to hold a sales or use tax permit from the Iowa Department of Revenue (IDR). This includes retailers that are Iowa-based and retailers making taxable sales from an out-of-state location. Complete the IDR business registration online at <https://tax.iowa.gov/please-read-you-register-your-business>.

Iowa Combined Business Registration

The combined IDR business application available at www.idr.iowa.gov/CBA/start.asp enables a business to register for one or more of the following: sales or use tax, hotel/motel tax, automobile rental tax, household hazardous materials permit, withholding tax, corporation, LLC or partnership tax.

Iowa Business Tax Webinars

IASourceLink offers free Iowa small business tax webinars at www.iasourcelink.com/resources/business-webinars/iowa-tax-webinars.

Tax Questions

Tax questions may be submitted online at <https://tax.iowa.gov/webform/iowa-tax-question>. If calling from Omaha, Rock Island or Moline call toll-free at 800.367.3388, otherwise dial 515.281.3114.

Requirements for Employers

Registrations for Employers

Businesses with employees are required to have a Federal Employer Identification Number (FEIN). Additional information about the requirements for a FEIN and online registration is available at www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs.

Withholding of Income Tax

Every employer or any other person required to withhold Iowa income tax must register as a withholding agent with IDR. The Federal W-4 and Iowa W-4 is completed by the employer and employee. The employer uses these forms to withhold federal and state income tax from an employee's wages. An employer must also file a Federal W-2 to report employee wage and tax benefits. Additional withholding information is available at <https://tax.iowa.gov/iowa-withholding-tax-information-booklet>.

Iowa Centralized Employee Registry

The Iowa W-4 form is also used by the employer to report newly hired, rehired or terminated employees (including some subcontractors). This helps ensure timely submittal of child support. The information can be completed on the Iowa Employer Child Support website by the employer and it must be submitted within 15 days of the hire. For more information, or to register a newly hired, rehired or terminated employee, please visit <https://secureapp.dhs.state.ia.us/epay/>.

Eligibility Verification

The Federal I-9 is used for verifying the identity and employment authorization of individuals hired for employment in the U.S. All U.S. employers must ensure proper completion of Form I-9 for each individual hired for employment in the U.S., including citizens and noncitizens. Both employees and employers (or authorized representatives of the employer) must complete the I-9. Find the Employment Eligibility Verification form at www.uscis.gov/i-9.

Unemployment Insurance (UI)

Most "employing units" going into business for the first time in Iowa are required to register for a UI tax account with Iowa Workforce Development (IWD). Under the Iowa Employment Security Law, an employing unit is any individual (sole proprietor) or type of organization that currently has or previously had in its employ one or more

individuals performing service in Iowa. Begin by establishing an account at www.MyIowaUI.org to complete registration. For more information call 888.848.7442 (choose option 3, then 7). To view the online Unemployment Insurance Handbook for Employers visit https://www.iowaworkforcedevelopment.gov/sites/search.iowaworkforcedevelopment.gov/files/70-5007%20Handbook%20For%20Employers_1.pdf.

Workers Compensation

The Workers' Compensation Law requires most employers in Iowa to provide benefits to eligible employees who have injuries arising out of and in the course of employment. Frequently asked questions are available in addition to reporting requirements and a compliance handbook. For more information, please visit www.iowaworkcomp.gov/.

Employee or Independent Contractor

A business must ensure that those who work for them are properly classified as either an employee or independent contractor. Employers must ensure state and federal income taxes are withheld, Social Security and Medicare taxes paid and wages reported. Generally speaking, a worker is an employee if the business has the right to direct and control the work performed. Guidance on determining if workers are employees or independent contractors is available by calling the IWD Misclassification Unit toll free 800.562.4692 or by accessing the online Frequently Asked Questions About Iowa Worker Misclassification website at www.iowaworkforcedevelopment.gov/misclassification-workers-iowa.

Contractor Registration

Construction contractors who earn at least \$2,000 a year must be registered with the Iowa Division of Labor and pay a \$50 registration fee every year. Individuals or businesses making less than \$2,000 a year on "construction" work, or who work only on their own real estate or property, are not required to register. For more information regarding registration requirements, visit www.iowadivisionoflabor.gov/contractor-registration or call toll-free 800.562.4692.

Required Workplace Posters

Employers are required by state and federal laws to display certain workplace posters, a listing is available at www.iowaworkforcedevelopment.gov/required-employer-posters.

Youth Employment

Youth under the age of 16 in Iowa are required to have a work permit before starting work. Hours and occupations that youth are allowed to work are limited by both state law and federal laws. Learn more online about youth employment at www.iowaworkforce.org/labor/childlabor.htm or call 515.242.5869 or 515.725.7995. For information on federal child labor laws, visit www.youthrules.dol.gov or call 515.284.4625.

Iowa's Minimum Wage Law

The minimum hourly wage of \$7.25 applies to most hourly wage earners employed in Iowa. Most small and retail service establishments grossing less than \$300,000 annually are not required to pay minimum wage. Applications of the minimum wage under federal law differ from those under Iowa law. Iowa employers must comply with the more stringent applicable law. Visit www.iowadivisionoflabor.gov/iowa-minimum-wage-poster to view the minimum wage poster or contact the Iowa Division of Labor. Direct questions about federal minimum wage laws to the U.S. Department of Labor, Federal Wage and Hour Office at 515.284.4625.

Occupational Safety and Health (OSHA) Consultative Services

Under federal and state laws, employers are required to provide a workplace free from recognized hazards. Iowa Consultation and Education Services offers free and confidential assistance to help Iowa employers comply with standards and reduce existing hazards. These services are separate from enforcement and do not result in citations or penalties. For more information visit www.iowaosha.gov/iowa-osha-site-consultation or for assistance call 515.281.7629.

Frequently Requested Licensing Contact Information

Agency	Area	Phone	Web
IASourceLink	Licensing Assistance	866.532.1216	www.iasourcelink.com/regulatory/business-license-home
	Business Concierge	866.537.6052	www.iasourcelink.com/resources/business-concierge
Office of Iowa Attorney General	Consumer Complaint	515.281.5926	www.iowaattorneygeneral.gov/
Better Business Bureau	Consumer Complaint	800.222.1600	www.bbb.org/iowa/
Office of the Ombudsman	Citizen complaint	888.426.6283	www.legis.iowa.gov/Ombudsman/complaints/
Iowa Dept. of Revenue	Iowa Sales Tax Permit	515.281.3114	https://tax.iowa.gov/
Internal Revenue Service (IRS)	Federal Employer ID Number (FEIN)	800.829.1040	www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs
Iowa Secretary of State	Business Registrations & Filings	515.281.5204	http://sos.iowa.gov/business/FormsAndFees.html
County Recorders	Sole Proprietorship Registration	Via online	www.iowacounties.org/member-resources/county-directory/
Iowa Division of Labor	Construction Contractor Registration	515.242.5871	http://www.iowadivisionoflabor.gov/contractor-registration
Iowa Dept. Human Services	Child Care/Day Care Licensing	515.281.0390	http://dhs.iowa.gov/licensure-and-registration
Iowa Division of Inspection & Appeals (DIA)	Targeted Small Business (TSB) certification	515.281.5796	https://dia.iowa.gov/tsb
	Restaurant Permit	515.281.6538	www.state.ia.us/government/dia/page3.html
	Restaurant Permit with Alcoholic Beverage Permit	515.281.6538 or 515.281.7432	www.state.ia.us/government/dia/page3.html & http://iowaabd.com/alcohol
Iowa Center for Economic Success	TSB loans/microloans	515.283.0940	http://theiowacenter.org/microloans/
Iowa Depart. Transportation (IDOT)	Customer Service	515.532.1120	www.iowadot.gov/index.html#/services
	Licensing Vehicles/Divers	515.532.1120	www.iowadot.gov/driversvehicles.html#/driversvehicles
Iowa Dept. Admin. Services	Doing business with the State as a Vendor	515.725.2988	https://das.iowa.gov/procurement/vendors/how-do-business
Iowa Workforce Development (IWD)	Unemployment Insurance	515.281.5339	www.MyIowaUI.org
	Workers Compensation	515.281.5387	www.iowaworkcomp.gov/