



Small Business Resource Guide

Regulatory and Licensing Requirements

Navigating the maze of regulations and requirements for licenses, permits, and taxes among the various city, state, and federal government agencies can be confusing and overwhelming for the new, and even the experienced business owner. This guide is designed to help you through that maze as you start, expand, or relocate your business in Boston.

Please note that no one guide can address regulations pertaining to every business; contact the appropriate agency directly to identify the appropriate process for your particular business. While contact information is included with each step, you can also [download a more comprehensive agency contact list](#), including a variety of additional agencies that might be helpful depending on your business needs.

A few tips before you get started...

Start Early. Prepare your application well in advance of the date you wish to start any activity that may require a license; it can take time to get a license approved, especially if you need a permit that requires inspections or approval from multiple city departments (e.g., Inspectional Services -Building and Health Divisions, Consumer Affairs, Fire, Transportation) or qualifying exams.

Take Steps in the Right Order. Knowing what is required to obtain the permit will save you time and aggravation. For example, know what documents you will need to submit with the application and prepare them in advance. If the permit you need requires multiple agency approval or both City and State approval, you should get them in the order indicated.

Know the Rules. You need to be informed about what you can and cannot do under the regulation or law because - even if you don't know the rules - inspectors do. Before you commit to a location, follow the steps below. If you have questions, call the relevant agency and ask.

City of Boston Regulatory Requirements Checklist: Zoning, Permitting, Licensing, Business Registration & Taxes

1. ***Comply with Zoning and Permitting Regulations***

Why should a small business owner be concerned with city zoning policies? If you open a commercial business in a residential zone or locate your business in a commercial space not intended for that use, you could be closed down regardless of how much you invested on renovations or the fact that you signed a lease.

Visit the **City of Boston Inspectional Services Department (ISD)** (*see contact information below*) to determine the zoning and permitting regulations required for your business. Depending on the type of business you want to start, you may need to work with both the **Building Division** and the **Division of Health Inspections**.

Inspectional Services Department (ISD)

1010 Massachusetts Avenue

Boston, MA 02118

Phone: 617-635-5300 / 617-635-5326 Division of Health Inspections

Website: www.cityofboston.gov/isd

Building Division (5th floor)

The Building Division is responsible for overseeing the city's zoning ordinances, which determine the types of activities allowed in any given building. Before you spend any money on rent or remodeling, you should visit the Building Division to ensure that the building you wish to locate in is zoned for your type of business. If it is not, you must complete a **Legal Occupancy/Use Application**, have the building owner approve it, and return the signed application to ISD.

ISD offers a free 15-minute **Zoning Clinic** to help you through the process. This clinic creates a customer-friendly atmosphere in which to discuss general or specific zoning questions. An ISD Inspector will guide you through the steps required to process your application. Commercial issues in the Zoning Clinic include: increasing occupancy loads, signage, take-out restaurant use, offices, home business uses, and more. The clinic is offered every Tuesday from 9 a.m.-12 p.m. (*no appointment is required*) at ISD Plans and Zoning, counter #2, fifth floor, 1010 Massachusetts Avenue, Boston, MA 02118

Next, you will submit a **floor plan** and other documentation as requested by ISD. If you intend to remodel, you may also need a **Building Permit**. You may also need a variety of other permits, depending on the type of business you plan to open. Other permits you may be required to obtain include **Electrical and Fire Systems, Gas Fitting, Plumbing and Sprinklers, and Occupancy**.

What happens if your application is refused or denied?

If your business does not conform to the City's building or zoning codes, the Building Division will refuse your application. If your application is denied, you can apply for an appeal at ISD. ISD will send your appeal to the Zoning Board of Appeals (ZBA) at City Hall and then the ZBA will notify you/the business owner and all of the abutters of a hearing date. Hearings take place at the Zoning Board of Appeals, City Hall, Room 801.

ISD has developed the [Guide to the City of Boston Zoning Board of Appeal Process](#) to both assist you throughout the permitting process and to explain how Boston's zoning code and the appeals process work to protect Boston's neighborhoods. The guide is available at the ISD website: From ISD home www.cityofboston.gov/isd, click Plans and Zoning. On the Zoning Board of Appeals page you will also find information about zoning clinics, permits, and additional information.

Division of Health Inspections (4th Floor) www.cityofboston.gov/isd/health/

The Division of Health Inspections is responsible for overseeing the city's health and sanitation issues involving food and cleanliness. You must visit this Division if your business is one of the following: food service, retail food, hospital, nursing home, caterer, day care, after school program, funeral home, massage practitioner, massage establishment, mobile food, children's recreational camp, baths/health club, or swimming pool. ISD Health Inspection information is contained on the website under "Mayor's Food Court". Here you will find a selection of application forms for businesses as well as additional information. Note some forms can be submitted online; others must be printed and delivered to ISD. For more information, call 617-635-5326.

❑ 2. Obtain Any Necessary City of Boston Business Licenses

Depending on the services you render, your business may be required to obtain licenses from one or more City of Boston regulatory agencies. These agencies may include the Boston Licensing Board, and the Inspectional Services, Public Works, Transportation, Police and/or Fire Departments.

The Licensing Board grants and regulates various types of alcohol and food licenses for restaurants, nightclubs, private clubs, package stores, hotels, and inns. The Board also grants and regulates licenses for common victualers (food only establishments), hotels (with or without alcohol), bowling alleys, pool tables, lodging houses, dormitories (including fraternities), and fortunetellers.

Boston Licensing Board

City Hall, Room 809

Boston, MA 02201

Phone: 617-635-4170

Website: www.cityofboston.gov/licensing/

Below are some examples of common licensing and permitting situations:

Situation	Licenses & Permits Needed	Regulating Agencies
Food Service Establishment or Retail Food Store You will serve or sell milk or frozen desserts	Common Victualer's License. After receiving CV License, file the appropriate licenses with the ISD Health Inspections Division.	Boston Licensing Board www.cityofboston.gov/licensing/ Inspectional Services Health Division www.cityofboston.gov/isd
Will be using a dumpster	Site Cleanliness License www.cityofboston.gov/isd/sitecleanliness/	Inspectional Services Health Division Environmental Sanitation Division www.cityofboston.gov/isd/esan/
Will vend from a stationary unit or have a sidewalk sale on a public sidewalk You must make sure that the area is within a legal area for vendors; and you will need to get approval from the building owner and first floor tenants of the property in front of which you. Placement of vehicle for vending purposes in the public way Propane or Sterno are to be used Mobile vendor	Stationary Vending License Complete an Application for the Sale, Storage and Display of Merchandise in the Public Ways in the City of Boston Apply for approval If applicable, health permits should be obtained <u>after</u> the Stationary Vending License has received approval from the Public Works Department and the Boston Police Department. For a detailed description of the regulations and requirements, and to obtain an application, go to: www.cityofboston.gov/publicworks/PrmVending.asp You can download an application at: www.cityofboston.gov/publicworks/pdfs/Vendor.pdf Obtain Fire Permit -Only <u>after</u> the Stationary Vending License has received approval from the Public Works Dept. and the Boston Police Dept. License from the State required - The City of Boston does not license peddlers, hawkers, or transient (not stationary) vendors.	Public Works Department www.cityofboston.gov/publicworks/ Public Works issues vending licenses for stationary selling at a specific location; however they do not issue licenses that allow movement from one location to another. There are several requirements & restrictions on stationary vendors due to public safety issues If you are vending on a public street, you must go to Boston Police Headquarters 617-343-4425 Boston Police Department www.cityofboston.gov/police/ Transportation Dept. www.cityofboston.gov/transportation/ Boston Fire Department www.cityofboston.gov/fire/ Fire Prevention 617-343-2191 State Division of Standards www.mass.gov/dos
Your business will involve any entertainment	Obtain Entertainment License www.cityofboston.gov/consumeraffairs/entertainment.asp	Office of Consumer Affairs and Licensing www.cityofboston.gov/consumeraffairs/
Placement of temporary or permanent signage	Sign Permit * Make sure to check zoning regulations <u>before</u> you design or contract for any sign.	Inspectional Services 5th Floor, Counter 1 www.cityofboston.gov/isd

□ 3. Register Your Business

One of the first decisions you will encounter in starting a new business is choosing a business structure. The information in this section pertains only to the Boston municipal business registration procedure. To learn about different business entities, visit www.mass.gov/ and enter "choosing a business entity" in the search box. For information related to registering a corporation with the State, contact the Secretary of the Commonwealth at 617-727-9640 or <http://www.sec.state.ma.us/cor/coridx.htm>

All unincorporated businesses and any corporation that is doing business in the City of Boston and not registered in Massachusetts must file a **Business Certificate** form, also known as a *Doing Business As* (DBA) form, with the **Office of the City Clerk**. The only exception to the registration requirement is if you will be using your own name as your business name. For instance, if your name is Sue Smith and your business will be called Sue Smith, you do not need to register. However, if you add anything to your name - for example, Sue Smith Auto Body - you are required to register your business. Contact the Office of the City Clerk with any questions about this requirement.

Office of the City Clerk

Boston City Hall, Room 601

Boston, MA 02201

Phone: 617-635-4600, then press 0

Website: www.cityofboston.gov/cityclerk

To register your business with the City of Boston, you must submit a **notarized Business Certificate** form to the Office of the City Clerk. The form must be signed by each of the business owners and each signature must be notarized individually. Submit the notarized form with \$50 filing fee (business check or money order) payable to the City of Boston. An additional \$25 filing fee must be included with this application for any corporation not registered in Massachusetts or for a domestic or foreign corporation using a different trade name for conducting business.

Business Certificate forms can be obtained the following ways:

- Visit the office in person weekdays from 9:00 a.m. until 5:00 p.m. (*If you intend to file the form at that time, all owners must be present to have signatures notarized at the office.*)
- Mail a written request for the form, along with a self-addressed stamped envelope, to the above address.
- Purchase a copy at your local stationery store.
- Download the online form from the City Clerk's website.

□ 4. File a Form of List at the Assessing Department

When you start a business in any given year, you must file a *Form of List* with the Assessing Department by March 1st of the following year. Individuals, partnerships, associations or trusts, corporations, and limited liability companies subject to taxation in Boston must file a *Form of List* annually.

This form lists all tangible business assets, such as: machinery, equipment, furniture, and fixtures. It is used by the Assessing Department to assess values on all real and personal property located within the City of Boston. Assets assessed at below \$10,000 will not be subject to taxation. However, all business must file the form; failing to do so will result in a penalty of a percentage of the assessed value of your tangible business assets.

The form can be obtained at the Assessing Department office or at the website below.

Once your business is registered with the Assessing Department, blank forms and instructions will be mailed to you annually. For complete information and to obtain blank forms, contact:

Assessing Department

Personal Property Unit

Boston City Hall, Room 301

Boston, MA 02201

Phone: 617-635-1165

Email: Assessing@cityofboston.gov

Website: www.cityofboston.gov/assessing/perproppty.asp

For one-stop service on all City of Boston tax related matters, visit:

Taxpayers Referral and Assistance Center (TRAC)

Boston City Hall

Room M-5, (on the mezzanine level)

Boston, MA 02201

Phone: 617-635-4287

Website: www.cityofboston.gov/TRAC

State & Federal Regulatory Requirements Checklist: Licenses, Taxes & Employer Obligations

The following steps are provided as an overview only. Additional information should be obtained using the state and federal contacts provided.

❑ 5. *Obtain Necessary Massachusetts Licenses*

Many specialized occupations require **licenses** from the Commonwealth of Massachusetts. The business section of the state website provides a detailed breakdown of occupations and the agencies that oversee their licensing.

The Division of Professional Licensure is an agency within the state Office of Consumer Affairs and Business Regulation, with 31 boards of registration regulating more than 50 trades and professions. The division is responsible for licensing and regulating the activities of over 330,000 individuals, corporations, and partnerships.

To conduct a search for specific state requirements by occupation, visit www.mass.gov, click *For Businesses* at the top of the page; then go to the *Help and Resources* menu and click on *Licensing and Regulation*. *(Add link)*

Division of Professional Licensure

239 Causeway Street

Boston, MA 02114

Phone: 617-727-3074

Fax: 617-727-2197

Website: www.mass.gov

Taxes: Once you start your business, you will have to start paying taxes to both the federal government and the Commonwealth of Massachusetts.

❑ 6. *Apply for a Federal Tax Identification Number*

An Employer Identification Number (**EIN**) is also known as a Federal Tax Identification Number, and is used to identify a business entity. This number is used for both federal and state tax purposes.

Businesses that must obtain an EIN number include: sole proprietorships with one or more employees (not including yourself), and partnerships and corporations with or without employees. Sole proprietorships without employees (other than the owner) that are required to file excise, alcohol, tobacco, firearms, or employment tax returns must also obtain a federal employer identification number. A married couple running a business together (with or without employees) is considered a partnership, not a sole proprietorship, and must obtain an EIN.

Exception: Sole proprietorships without employees (other than the owner), and which are not required to file excise, alcohol, tobacco, firearms do not need to obtain a federal employer identification number. They can use their social security number for business tax purposes.

You may apply for an EIN in various ways:

To obtain a federal identification number, you must file *Form SS-4*, Application for Employer Identification Number, with the Internal Revenue Service. You can apply online at www.irs.gov/businesses/small/ or over the phone by calling (800) 829-4933.

❑ 7. *Register Your Business with the Massachusetts Department of Revenue*

Most businesses or their owners are required to pay some amount of tax on their business income. The Massachusetts Department of Revenue (DOR) oversees taxation for the State. The specifics of income tax, including forms and deadlines, depend on how your business is structured. For additional information, visit www.mass.gov and enter "Business Obligations" in the search box.

Also, any business that will sell taxable items in Massachusetts is required to apply for a **Sales and Use Tax Registration Certificate**; certain businesses may also be required to pay **Trustee** and/or **Excise Taxes**.

DOR has compiled a useful online reference, "*Guide to Massachusetts Tax and Employer Obligations*", which provides specific information on a variety of state tax issues. This guide is available on the DOR website along with many other helpful tax related publications. DOR also offers a free Small Business Workshop designed to walk you through the tax issues. This workshop is co-sponsored by the IRS and also covers important federal tax issues. Registration is accepted online or by phone.

Massachusetts Department of Revenue

Customer Service Bureau
Charles F. Hurley Building
19 Staniford Street
Boston, MA 02114
Phone: 617-887-6367 or toll free in state at 1-800-392-6089
Website: www.mass.gov/dor

After you have completed the registration process, the DOR will determine the requirements you will need to meet regarding tax filing frequency and will send you the appropriate monthly, quarterly, and/or annual returns. It is your responsibility to inform yourself and to comply with the state tax filing requirements.

❑ **8. File Federal Income Tax Forms for Your Business**

The federal income tax forms you will be required to file with the Internal Revenue Service depend on your type of business and its legal structure. The IRS business website, www.irs.gov/businesses/, provides valuable information organized by business structure. For additional guidance, a business owner is advised to consult a CPA or tax attorney.

Internal Revenue Service

J.F.K. Federal Building
Government Center
Boston, MA 02203
Phone: 617-316-2850 or 1-800-829-1040
Website: www.irs.gov/businesses/

Steps 9-14 Below Pertain To Your Responsibilities as an Employer:

For additional information, visit www.mass.gov and enter "Business Obligations" in the search field.

❑ **9. Health Insurance Requirements & Employer Obligations**

As of July 1, 2007, most residents of Massachusetts, age 18 and older, are required to have health insurance. The law also places certain responsibilities on employers to ensure that health insurance is accessible to as many individuals as possible. The law affects businesses in different ways depending on their size.

Under Massachusetts' first-in-the-nation health care reform law, employers with 11 or more employees must make a "fair and reasonable" contribution to their full-time employees' health insurance costs. They are also required to establish a Section 125 Plan to allow all of their employees to pay their health insurance premiums on a pre-tax basis. In general, businesses with fewer than 11 employees are exempt from most requirements of the law. However, their employees who live in Massachusetts are still required to have health insurance.

To learn more about employer responsibilities under the new law, contact the Commonwealth Connector at (877) MA-ENROLL or at www.mahealthconnector.org.

Need help paying for health insurance?

The Insurance Partnership is a Massachusetts state program developed by the Executive Office of Health and Human Services and funded by state and federal governments. It helps qualified small businesses with uninsured employees, and the self-employed pay for health insurance. The goal of the Insurance Partnership is to reduce the number of uninsured residents in Massachusetts.

As part of healthcare reform, the Commonwealth of Massachusetts has expanded the eligibility for uninsured residents by raising the income ceiling for The Insurance Partnership. Now, more uninsured, working residents than ever are eligible for the program. For further information, contact:

The Insurance Partnership

2 Hampshire Street, Suite 100
Foxboro, MA 02035
Phone: 1-800-399-8285 (Within Massachusetts only) or 1-508-698-2070
Fax: 1-508-543-0432 The Insurance Partnership
Website: www.insurancepartnership.org

❑ **10. Register with the Massachusetts Division of Unemployment Assistance**

If you will have employees, you must register with the Massachusetts Division of Unemployment Assistance (DUA). You are required to complete the **Employer Status Report**, Form 1110, available online at www.mass.gov/dua, which registers you with DUA to pay state unemployment tax. (*Search Form 1110*). Here you will also find contribution forms and related publications.

Massachusetts Division of Unemployment Assistance

Contributions Department
Charles F. Hurley Building
19 Staniford Street, 5th Floor
Boston, MA 02114
Phone: 617-626-6560
Website: www.mass.gov/dua

❑ **11. Acquire Workers' Compensation Insurance**

All employers in Massachusetts are required to carry workers' compensation insurance covering their employees, including themselves if they are an employee of their company. This requirement applies regardless of the number of hours worked in any given week, except that domestic service employees must work a minimum of 16 hours per week in order to require coverage. The Department of Industrial Accidents (DIA) enforces the workers' compensation law in Massachusetts. The Department of Industrial Accidents (DIA) enforces the workers' compensation law in Massachusetts.

Workers' Compensation Insurance can be obtained through any insurance agent or broker that handles business insurance, through a direct writer of insurance, or through the Insurance Rating Bureau, 617-439-9030.

For additional information contact the Department of Industrial Accidents directly.

Department of Industrial Accidents

Labor and Workforce Development
600 Washington Street, 7th Floor
Boston, MA 02111
Phone: 617-727-4900; or 1-800-323-3249, extension 470
Website: www.mass.gov/dia

❑ **12. Create a System for Collecting Federal Unemployment Insurance Tax**

If you will have employees, under the Federal Unemployment Tax Act (FUTA), you as the employer are responsible to pay Federal Unemployment Insurance Tax. You must complete IRS Form 940 and submit it to the IRS. For more information visit www.irs.gov/businesses/, see Employment Taxes for Small Businesses, or to speak with someone, contact the IRS at (800) 829-1040.

❑ **13. Establish a Process for Collecting & Depositing Payroll Taxes**

The Internal Revenue Service (IRS), Social Security Administration and most states require employers to make appropriate withholdings from employee wages. They also require that withholding be deposited and a proper accounting made of such amounts withheld. Failure to make necessary tax payments in time can subject you to penalties and interest as well as potential liens against your property. Employers are required to withhold from their employee's payroll the following items:

- Federal income tax.
- State income tax -see State Trustee Taxes section above.
- The employee's share of social security and Medicare taxes (FICA).

Additionally, employers are liable for the following taxes, which are related to or based upon payroll:

- Federal unemployment tax (FUTA).
- State unemployment insurance.
- The employer's share of social security and Medicare taxes (FICA).

New requirements exist for filing certain information returns on magnetic media to the IRS depending upon the type of form and number of forms to be filed. Substantial penalties exist for failure to file on magnetic media if such reporting is required.

The IRS website provides information on this topic: visit www.irs.gov/businesses/ and click *Employment Taxes for Small Businesses*. There are many useful topics in this section; IRS recommends you read "Publication 15, *Circular E, Employer's Tax Guide,*" which can be found under *Employment Tax Publications*.

□ 14. Report Employees to the Department of Revenue

All employers, regardless of size or type of business, are required by law to report all newly hired employees, employees returning to work after 30 days, and independent contractors who will be earning \$600 or more to the Massachusetts Department of Revenue (DOR) within 14 days of hire. This information is then compared to the DOR's database of individuals who are required to pay child support. When there is a match, DOR notifies the employer to withhold child support and remit the funds to DOR for distribution to families entitled to support. The information is also used to combat fraud in programs run by various state and federal agencies. Visit the DOR web site at www.mass.gov/dor and click on the tab for businesses to learn more.

The Office of Business Development (OBD) Can Help:

The Department of Neighborhood Development's Office of Business Development offers a variety of programs and resources to assist owners of start-up and existing businesses that are interested in establishing, expanding, or relocating to Boston. As your voice in City Hall, the Business Assistance Team will advocate for you and guide you through the city permitting, licensing and permitting processes.

Please visit our webpage for news and information on current programs and events or, for assistance, call our office 617-635-0355.

City of Boston
Department of Neighborhood Development
Office of Business Development
 26 Court Street, 9th floor
 Boston, MA 02118
 Phone: 617-635-0355
 Fax: 617-635-0282
 Website: www.cityofboston.gov/dnd/obd