

CHAPTER 2

REGISTERING WITH THE TAX AUTHORITIES

A significant task for the new business owner is assuring that the business properly complies with the extensive tax and information filing requirements imposed by various governmental agencies. Stiff penalties are commonly assessed if the required forms and returns are not properly prepared and timely filed. There are several forms required to be filed when the business is started. While this chapter is not intended to be an all inclusive list of the filing requirements, it summarizes some of the more prominent requirements common to most businesses. Many industries have specific filing requirements which are not part of this text, but which nevertheless, must not be overlooked. Professionals with experience in your industry should be consulted to assure that any such filings are properly handled.

Internal Revenue Service

All tax forms filed with the Internal Revenue Service (IRS) require the use of a Federal Employer Identification Number (FEIN). This number is obtained by filing a Form SS-4 with the IRS. A blank Form SS-4 is in the Exhibit Section.

There is no deadline for filing Form SS-4. However, to avoid confusion, file your Form SS-4 early. If an income tax form is filed without a FEIN, the Internal Revenue Service will assign one. It is not uncommon for the Internal Revenue Service to assign more than one FEIN to a business, which can result in notices for delinquent tax returns that have been filed using a second FEIN. Apply online at: <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>

Most filings with the Internal Revenue Service come under the headings of income and payroll taxes. Payroll tax requirements are detailed in Chapter Four. Income tax filing requirements and tax planning are discussed in Chapter Six.

Virginia Department of Taxation

All tax forms filed with the Virginia Department of Taxation require the use of a Virginia account number. This number is obtained by filing a Form R-1 with the Virginia Department of Taxation. A blank Form R-1 is in the Exhibit Section.

There is no deadline for filing Form R-1. However, to avoid confusion, file your R-1 early. You can apply online for the R-1 at:

<http://www.tax.virginia.gov/site.cfm?alias=RegisterABusinessOnline>

Business License

In most tax jurisdictions, you must obtain a business license to operate a business. Applications can typically be obtained at the city or county government offices where your business is located. At the time of filing the application a fee must be paid which can range from \$25 to thousands of dollars depending on the city or county and the size of the business. The license, with the related fee, must be renewed annually.

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Tax Calendar

The following summarizes some of the more significant filing dates for a corporation using a calendar year-end. Many of these requirements also apply to partnerships, limited liability companies and sole proprietorships. Naturally, if a year-end other than December 31st, is used (see Chapter Five) some of these dates will vary.

<u>DATE</u>	<u>RETURNS</u>
January 20 th	Sales tax return
January 31 st	Payroll tax returns Annual Form W-2s issued to employees Form 1099s and 1096s
February 20 th	Sales tax return
February 28 th	Form W-2s filed with social security administration
March 15 th	Corporate income tax returns Form 2553, Election by a Small Business Corporation
March 20 th	Sales tax return
April 15 th	Virginia corporate income tax return Federal and Va. estimated income tax payments
April 20 th	Sales tax return
April 30 th	Quarterly payroll tax returns
May 20 th	Sales tax return
June 15 th	Estimated income tax payments
June 20 th	Sales tax return
July 20 th	Sales tax return
July 31 st	Quarterly payroll tax returns
July 31 st	Quarterly payroll tax returns
August 20 th	Sales tax return
September 15 th	Estimated income tax payments
September 20 th	Sales tax return
October 20 th	Sales tax return
October 31 st	Quarterly payroll tax returns
November - December	Year-end tax planning
November 20 th	Sales tax return
December 15 th	Estimated income tax payments
December 20 th	Sales tax return

There are also numerous other tax filing deadlines if you deal in certain regulated industries such as utilities or petroleum.