



Oklahoma Small Business
Development Center



HOW TO

How To

Form a Sole Proprietorship

Designed to work With our Business Basic guide.

We hope that you will attend an OSBDC workshop on starting your business, and also use our more comprehensive Business Basic booklet.

This sheet is meant to be more of a checklist of what is filed in what order.

It depends on the option you choose!

Three different scenarios

1. One owner, no employees, and Service company, which means no collecting tax.
2. One owner, Employees, and Service Company, which means no collecting sales tax.
3. One owner, Employees, and sells products (or combination of products and services) and needs to collect sales tax.

Can a husband and wife be a sole Proprietorship?

Kind of. Click [here](#) for official IRS info.

Click [here](#) for a more reader friendly explanation.

No corporate papers or documents required.

This can be one of the advantages of this type of business because you don't need to have officers, corporate minutes and so forth.

Tax ID Number

If you fit the No. 1 Category as listed above, you do NOT need a tax ID number. Only options 2 and 3 need one. Many sole proprietorships confuse a Tax ID with a sales tax permit.

Form – Click [here](#) to apply online.

Cost – None.

The Oklahoma Small Business Development center network helps Oklahoma business start, grow and succeed.

Network Locations

The OSBDC has locations throughout the state. Click [here](#) to find the office nearest you.

Workshops

The OSBDC provides workshops and training seminars on various topics. Click [here](#) for a listing.

OSBDC Blog

The [OSBDC Blog](#) is updated several times weekly. This contains news and items of interest to small businesses.

Business Basics

Use [this booklet](#) for more comprehensive information on starting a business in Oklahoma.

Business Plan

The [Business Plan](#) is an easily used guide to get your plan together for financing

[Guia Para Nuevos Negocios](#)

[Plan de Negocios](#)

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This web site is temperamental in that you have to do it exactly the way it wants you to do it. For example, it does not like punctuation such as commas or periods. It won't give you the ID until it gets the format it wants.

Resale Permit or Sales Tax Permit

Only business example 3 above named needs this. This number is used to purchase tax exempt inventory from suppliers, wholesales, or distributors that you will resell to others. When new business owners ask for Tax ID numbers, most of the time they really want a number to purchase tax inventory from suppliers at wholesale prices. This is called a reseller's permit, resale exemption certificate, or sales tax permit.

How to get a sales tax permit

Form: Click [here](#) to download the form. You will need to complete pages A-E of the packet.
NOTE: This is a "one size fits all" sort of form and used for many things. If you are completing this form and do not need to have a Tax ID number, just use your Social Security Number when it asks for the Tax ID.

File – Quickest way is to take it to the nearest Commission office. Click [here](#) for locations.
Oklahoma Tax Commission, P.O. Box 26850,
Oklahoma City, OK 73126-0850.
Cost - \$20 – good for three years.

NOTE: You will receive a "provisional permit" for six months. If you are still in business after that, it will be good for three years.

Two other documents many sole Proprietors may wish to file.

Trade Name Report

Filing a Trade Name Report with the Oklahoma Secretary of State means that you are notifying the public that you are doing business as (dba) a name other than your given name. For example, John Thomas, a sole proprietor, files a Trade Name Report to register his dba name, computer Solutions.

Form – Click [here](#) to download the form.

Files – With the Oklahoma Secretary of State]

Cost - \$25

State Trademark

It is possible to get an Oklahoma Trademark by filing a state trademark form. This basically prevents other businesses in Oklahoma from doing business in that name, and it certainly establishes a time when the mark started to be used by the company. A name can be researched for availability prior to registration. Click [here](#) to search.

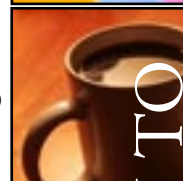
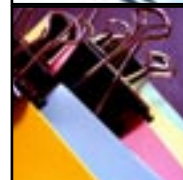
Form – Click [here](#) to file online.

Cost - \$100

Other Documents you should have:

A will – now that you are in business, you need to make sure that if something happens to you that your wishes regarding the business also happen the way you want.

Financial Power of Attorney – if for some reason you are incapacitated, there needs to be someone that has the ability to carry on with the business activities.



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For more legal information

Go to your [local public library](#). We like the legal self-help publisher, [Nolo](#), for their very understandable web site, guides and books. Their books, many of which are in the library, are understandable which is helpful even if you work with an attorney. [Quicken Willmaker](#) can be good for very simple wills and power of attorney documents.

