

your
guide to

Jon Husted
Ohio Secretary of State

Starting a Sole Proprietorship

in
Ohio



your
BUSINESS
begins here

NEW!
Reduced
Filing Fees!



Jon Husted
Ohio Secretary of State



Ohio Secretary of State
Business Services Division



Dear Ohioan:

Ohio is open for business!

Starting a business in Ohio begins here at the Secretary of State's Office. Here, we authorize companies to do business in our state and we strive to make the filing process as straightforward as possible so you can focus more on growing your business and less on government bureaucracy.

I encourage you to visit the Ohio Business Central website at www.OHBusinessCentral.com. Through Ohio Business Central, you can file the most frequently used forms online. You can also obtain all other forms and office publications, search existing businesses and sign up for our Filing Notification System to track and protect your business from potential identity theft.

Starting a business requires a great deal of planning and work and while the *Guide to Starting a Sole Proprietorship in Ohio* is meant to help, it is important to remember it does not constitute legal advice. Please seek professional counsel specific to your situation and goals.

Should you have further questions regarding sole proprietorship filings, please call (877) SOS-FILE (877-767-3453) or e-mail the business services staff at busserv@OhioSecretaryofState.gov.

Thank you for consulting with the Ohio Secretary of State's Office for your business needs. We look forward to serving you.

Sincerely,

Jon Husted

Ohio Secretary of State

your **BUSINESS** begins here

Start and Manage Your Business Online

www.OHBusinessCentral.com

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Preface

This guide has been prepared for informational purposes only and does not constitute legal advice. It is recommended that you seek legal and tax counsel before acting upon this information.

Personal Information

The Secretary of State's Office has the authority to reject any document containing a Social Security number or federal tax identification number. Please remove all personal information from documents prior to filing them.

What Is a Sole Proprietorship?

A sole proprietorship is a business entity in which there is a single owner entirely responsible for business decisions and liabilities. There is no legal distinction between the business and the owner. All business profits, losses and assets are the personal profits, losses and assets of the owner.

Many people decide to form a sole proprietorship due to the ease of creation and function. The owner is the sole decision maker and does not share the profits. In addition, the profits are taxed as personal income and are not subject to a corporate tax. However, owners of sole proprietorships have unlimited liability with regard to the debts and obligations of the business. Personal assets of the owner are at risk if the liabilities of the sole proprietorship exceed its assets.

Ultimately, you may wish to consult an attorney and/or tax professional before deciding which type of entity is best for your business.

Forms

Sole proprietorships are not required to file paperwork with the Secretary of State in order to conduct business in the State of Ohio. However, if a sole proprietorship wishes to do business under a name different from that of the sole proprietor (personal name, i.e. Bob Smith), they must register a trade name or report the use of a fictitious name with the Secretary of State's Office.

Registering Name of a Sole Proprietorship

Sole proprietors may conduct business under their own name, a trade name or a fictitious name.

Trade Name

A sole proprietor doing business under a name other than their own may register a trade name with the Secretary of State. Trade names give the owner exclusive right to use that name and are protected from use by others. Ohio Revised Code Section 1329.01(B) requires that an application for a trade name contain:

1. The name and business address of the applicant.
2. The trade name to be registered.
3. The general nature of the business conducted by the applicant.
4. The length of time during which the trade name has been used by the applicant in business operations in the state. (The date of first use must be prior to the date the application is submitted to the Secretary of State).

Fictitious Name

If a person plans to conduct business under a name other than their own and does not plan to register a trade name, or if the preferred name is unavailable for registration, they must notify the Secretary of State of their plan to use the business name, according to Revised Code section 1329.01(D). This involves filling out a form stating:

1. The name and business address of the user.
2. The fictitious name being used.

3. The general nature of the business conducted by the user.

A trade name or fictitious name can be registered by filing a Name Registration (Form 534A). This form can be filed online at the Secretary of State's Ohio Business Central website at www.OHBusinessCentral.com. The filing fee is \$39.00.

Choosing a Business Name

Revised Code section 1329.02 lists the restrictions on selecting a name for a sole proprietorship. In choosing a business name, a sole proprietor may not register a trade name that is connected with an agency of the federal government or any state government. A sole proprietor is also restricted from selecting a name that indicates the business is incorporated when it is not. Trade names must also be distinguishable upon the records in the Secretary of State's Office from other previously registered business names and/or trademark/service mark registrations. The Secretary of State determines which names are distinguishable upon the records from those previously registered.

To determine whether the name you wish to use is available, you may conduct a search on the Secretary of State's website at www.OhioSecretaryofState.gov, or call (877) SOS-FILE (877-767-3453), or e-mail the Secretary of State's Office at busserv@OhioSecretaryofState.gov.

Please note: It is a good idea not to order signs, letterhead or other supplies reflecting the business name until the name is registered. Also, consider having two or three alternative business names in mind in case the desired name is unavailable.

Special Name Considerations

Some business names are subject to unique name requirements or restrictions. For example, if a business wishes to use the word "bank" or "trust" in its name, it must seek approval from the Ohio Department of Commerce - Division of Financial Institutions before registering the sole proprietorship's name with the Secretary of State. Please refer to the Guide to Name Availability on the Secretary of State's website to learn more regarding specific name requirements and restrictions.

Frequently Asked Questions

Q: I want to file as a “Sole Proprietor” but couldn’t find the form for a sole proprietor. What form do I use?

A: Sole proprietorships are not required to register the business entity, therefore, there is no form to complete. However, there is a requirement to register a trade name or report the use of a fictitious name if using a business name. If the sole proprietorship is using his or her personal name only then there is no filing requirement. (For example, if you are doing business under your personal name, i.e. Bob Smith, then you do not need to register with our office, but if you are doing business under the name “Bob Smith’s Automotive Shop,” then the name must be registered with our office as a trade name or fictitious name). To register a trade name or fictitious name, you must complete Name Registration (Form 534A).

Q: Is it possible to be a sole proprietor LLC or corporation?

A: No. A sole proprietorship is a separate type of business entity with separate legal characteristics. However, an individual may create and own an LLC or corporation.

Q: Where in the Ohio Revised Code (ORC) does it say I have to register as a sole proprietor?

A: Ohio law does not require that a sole proprietorship must register with the Secretary of State. Ohio Revised Code Chapter 1329 does require business names to be registered with the Secretary of State.

Submitting Filings

Some forms may be filed online at the Secretary of State’s Ohio Business Central website at www.OHBusinessCentral.com. For more information, or to obtain other filing forms, visit the Ohio Secretary of State’s website at www.OhioSecretaryofState.gov and click on “Businesses.” You may also request forms be sent to you via fax or regular mail by calling (877) SOS-FILE (877-767-3453). The filing fee associated with each filing, as well as completion instructions, are provided on each form.



Credit cards
now accepted
at our Client
Service Center

If submitting a paper filing by mail or in person, please make checks for filing fees payable to “Ohio Secretary of State.” Major credit cards are accepted when filing in person.

The Secretary of State has established prepayment accounts for customers who have the ability to deposit a minimum amount on account with the office. Filings made using a prepayment account may be faxed to (614) 485-7045. Further information regarding these services can be obtained by calling (877) SOS-FILE (877-767-3453) or by visiting www.OhioSecretaryofState.gov.

Online

Visit Ohio Business Central at www.OHBusinessCentral.com. If submitting a filing online, please be prepared to pay with a major credit card including Visa, MasterCard, Discover or American Express.

Please note: Not all filings are available to be submitted electronically.

By Mail

Please send non–expedited filings to the address provided on the filing form.

Please send multiple filings to:

Ohio Secretary of State
Business Services Division
PO Box 788
Columbus, Ohio 43216

Please send overnight express packages to:

Ohio Secretary of State
Business Services Division
180 E. Broad St., 16th floor
Columbus, Ohio 43215

Please send expedite filings to (Mark envelopes “EXPEDITE”):

Ohio Secretary of State
Business Services Division
PO Box 1390
Columbus, Ohio 43216

Please include the additional expedite fee per filing (see page 6 for information on expedite service).

Please note: Only expedite level 1 is offered for mail-in filings. Expedite levels 2 and 3 are strictly for walk-in and online service.

In Person

Hours:

8 a.m. - 5 p.m., Monday - Friday,
closed holidays and the day after Thanksgiving.

Secretary of State's Client Service Center

180 E. Broad St., Suite 103 (ground floor)
Columbus, Ohio 43215

Expedite Service

The Ohio Secretary of State offers three levels of expedite service for filings. The expedite level 1 filing may be mailed, submitted in person, or filed online. Levels 2 and 3 may only be submitted in person at the Client Service Center or filed online.

Levels of Expedite	Additional Fee	Turnaround Time
Expedite Level 1	\$100.00	2 Business Days
Expedite Level 2	\$200.00	1 Business Day
Expedite Level 3	\$300.00	4 Hours*

The expedite filing fee must be added to each filing submitted. If only some of your filings require expedite service, please submit a separate check for the expedited filings.

In the event of an expedite 3 filing containing an error, the customer will be notified. If a filing is re-submitted by 1:00 p.m., the filing will be processed by 5:00 p.m.

***Please note:** Expedite level 3 filings submitted after 1:00 p.m. will be available the next business day.

Contact Business Services

Ohio Secretary of State

Business Services Division

180 E. Broad St., 16th floor

Columbus, Ohio 43215

Phone: (614) 466-3910

(877) SOS-FILE (877-767-3453)

TTY: (614) 466-0562

Toll Free TTY: (877) 644-6889

Fax: (614) 995-2238

Walk-In Client Service Center

180 E. Broad St., Suite 103 (ground floor)

Columbus, Ohio 43215

E-mail: busserv@OhioSecretaryofState.gov

Website: www.OhioSecretaryofState.gov

File online: www.OHBusinessCentral.com

Available Resources

This guide focuses on the forms and processes of the Secretary of State's Office with respect to registering a name for a sole proprietorship in Ohio. However, there are other agencies that regulate and/or assist Ohio sole proprietorships. Below is a list of some state agencies that new entities should contact to learn more about additional legal requirements or to obtain useful information.

Ohio Attorney General

30 E. Broad St., 14th floor
Columbus, Ohio 43215
(614) 466-4986
Toll Free: (800) 282-0515
www.ohioattorneygeneral.gov

Ohio State Bar Association

(800) 282-6556
www.ohiobar.org

Ohio Chamber of Commerce

(614) 228-4201
www.ohiochamber.com

Ohio Civil Rights Commission

30 E. Broad St., 5th floor
Columbus, Ohio 43215
(614) 466-2785
www.crc.ohio.gov

Ohio Department of Commerce

77 S. High St., 23rd floor
Columbus, Ohio 43215
(614) 466-3636
www.com.state.oh.us

Division of Financial Institutions

77 S. High St., 21st floor
Columbus, Ohio 43215
(614) 728-8400
com.ohio.gov/fiin

Ohio Development Services Agency

77 S. High St.
Columbus, Ohio 43215-6130
Toll Free: (800) 848-1300
development.ohio.gov

Ohio Economic Development Association

(800) 632-7763
www.ohioeda.com

Ohio Department of Health

246 N. High St.
Columbus, Ohio 43215
(614) 466-3543
www.odh.ohio.gov

Ohio Department of Insurance

50 W. Town St., Suite 300
Columbus, Ohio 43215
(614) 644-2658
Consumer Hotline: (800) 686-1526
Fraud Hotline: (800) 686-1527
OSHIP Hotline: (800) 686-1578
TDD Number: (614) 644-3745
www.insurance.ohio.gov

Internal Revenue Service

Individuals: (800) 829-1040
Businesses: (800) 829-4933
Exempt Organizations: (800) 829-5500
www.irs.gov

Ohio Department of Job & Family Services

30 E. Broad St., 32nd floor
Columbus, Ohio 43215
(614) 466-2455
jfs.ohio.gov

JobsOhio

jobs-ohio.com

National Federation of Independent Business - Ohio

(614) 221-4107
www.nfib.com/ohio

Ohio New Hire Reporting Center

(888) 872-1490 ext. 300

www.OH-NewHire.com

Ohio Business Gateway

(866) OHIO-GOV (644-6468)

ohiobusinessgateway.ohio.gov

Ohio Revised Code Online

codes.ohio.gov

Ohio Relay for the Hearing Impaired

(800) 676-3777

SCORE Ohio Chapters

www.scoreworks.org/ohio.htm

Small Business Administration

401 N. Front St., Suite 200

Columbus, Ohio 43215

(614) 469-6860

www.sba.gov

Ohio Society of Certified Public Accountants

(800) 686-2727

www.ohiocpa.com

State of Ohio

www.ohio.gov

Ohio Department of Taxation

4485 Northland Ridge Blvd.

Columbus, Ohio 43229

(888) 405-4039

www.tax.ohio.gov

Ohio Bureau of Workers' Compensation

30 W. Spring St.

Columbus, Ohio 43215

(800) OHIO-BWC

www.bwc.ohio.gov

Helpful steps as you further develop your business or organization

1. Register with the Ohio Secretary of State.

Register online at www.OHBusinessCentral.com or find the forms needed to file for your business at www.OhioSecretaryofState.gov.

2. Contact the Internal Revenue Service (IRS) to obtain an Employer Identification Number (EIN).

Additional information and an online application are available at www.irs.gov - search "EIN."

3. Then, open a bank account.

You will need your EIN to open a bank account.

4. Contact the Ohio Department of Taxation.

Register with the Ohio Department of Taxation at www.tax.ohio.gov. The Ohio Department of Taxation can assist businesses in determining state and local tax obligations.

5. Report newly hired and re-hired employees to the Ohio New Hire Reporting Center.

Report employee information at www.OH-NewHire.com. More information can be obtained by contacting the Ohio New Hire Reporting Center at (888) 872-1490 ext. 300.

6. Contact the Ohio Bureau of Workers' Compensation.

If your business or organization has an employee or employees visit www.bwc.ohio.gov under "Employers."

7. Contact the Ohio Department of Job & Family Services.

Employers may be required to establish an Unemployment Compensation Tax Account with the Ohio Department of Job & Family Services. Visit jfs.ohio.gov - search "Employer."

8. Finally, obtain the proper licenses and permits.

The Ohio Business Gateway, www.business.ohio.gov, "Licenses & Permits" page provides a list of professional licenses and business permits necessary to do business in Ohio. Contact your county and local government to determine if any special requirements exist for your type of business.

Special Considerations for Nonprofit Organizations

Apply for tax exemption. Visit www.irs.gov to apply to become a tax-exempt organization. Also, contact the Ohio Department of Taxation and your county and local governments to determine how to apply for applicable exemptions.

Contact the Ohio Attorney General if the intent is to engage in solicitation activities.

Register with the Ohio Attorney General's office at www.ohioattorneygeneral.com before engaging in any solicitation activities for a nonprofit organization.

Apply for a nonprofit postal permit. Apply for a nonprofit mailing permit from the United States Postal Service at www.usps.com.

Disclaimer: The information contained in this document is not legal or accounting advice. You should consult a legal or accounting professional.

Ohio Business Profile

Jon Husted
Ohio Secretary of State



As the place where business begins in Ohio, the Ohio Secretary of State's Office has launched the **Ohio Business Profile** to highlight some of the great work being done in the Buckeye State. Each month a handful of diverse businesses with a common theme will be selected to be featured on our website. If you are interested in having your business profiled go to www.OhioBusinessProfile.com.

Ohio
BUSINESS
Profile

For more information: (877) SOS-OHIO (877-767-6446) x4
OBP@OhioSecretaryofState.gov

Follow OhioSOSHusted:



Jon Husted

Ohio Secretary of State



The seal of the Ohio Secretary of State is circular, featuring a landscape with a sun rising over hills and water. The text "THE OHIO SECRETARY OF STATE" is written around the top inner edge, and "OHIO" is at the bottom. A star is positioned at the bottom center of the seal.

Business Services Division

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