

## ***Introduction:***

Embarking on the journey of forming a business in Washington State involves navigating through various legal requirements and structuring decisions. Here's a comprehensive guide to help you through the process:

### ***I. State Business License:***

Before commencing operations in Washington State, obtaining a State Business License is essential. This license is a prerequisite for most businesses and can be acquired through the [Washington State Department of Revenue](#).

### ***II. City Business License:***

Depending on the locality of your business establishment, you may also need to secure a City Business License. Each city may have distinct regulations and procedures, so it's advisable to consult with the local government office for specific guidelines.

### ***III. Federal Tax ID (Employer Identification Number), UBI Number, and Dun & Bradstreet Number:***

Irrespective of your chosen business structure, obtaining a Federal Tax ID, also known as an Employer Identification Number (EIN), is imperative. This unique identifier is utilized for tax purposes and can be obtained online through the Internal Revenue Service (IRS) website.

In Washington State, "UBI" stands for "Unified Business Identifier." It's a unique identifier assigned to businesses when they register with the state. The UBI is used for various purposes, including tax reporting, licensing, and tracking business activities. It helps the state government and other entities identify and manage businesses efficiently.

Additionally, obtaining a Dun & Bradstreet number, which facilitates business credit reporting, is advisable and can be acquired through the Dun & Bradstreet website.

## ***IV. Different Business Structures:***

1. ***Sole Proprietorship***: This straightforward structure involves a single individual owning and operating the business. The proprietor assumes full personal liability for the business's obligations.
2. ***Corporation***: A corporation is a distinct legal entity from its shareholders, offering limited liability protection. Compliance with state regulations and formalities is mandatory for corporations.
3. ***Limited Liability Company (LLC)***: LLCs combine the liability protection of a corporation with the flexibility and tax advantages of a partnership. Members of an LLC enjoy limited personal liability for the company's debts.
4. ***Nonprofit Organization, Foundation, Charities 501(c)(3) Tax Exempt***: These entities operate for purposes other than profit, such as charitable, religious, or educational pursuits. To qualify for tax-exempt status under section 501(c)(3) of the Internal Revenue Code, specific criteria must be met.
5. ***General Partnership***: In a general partnership, two or more individuals or entities share ownership and management responsibilities. Each partner is personally liable for the partnership's debts and obligations.
6. ***Limited Partnership***: Limited partnerships consist of at least one general partner with unlimited liability and one or more limited partners whose liability is restricted to their investment in the partnership.

***If your business structure will be one of the following, you must file with the Washington Secretary of State before filing the Business License Application with Washington State Department of Revenue***

- Washington (Domestic) Corporation
- Washington (Domestic) Partnership
- Washington (Domestic) Liability Company
- Washington (Domestic) Limited Liability Partnership

## ***V. Open Bank Account:***

Depending on the business structure:

- For Sole Proprietorships, a Personal Social Security Number can be used to open a bank account.
- Corporations should utilize the Tax ID Number (EIN) obtained from the IRS.

## ***Outro:***

Navigating the process of establishing a business in Washington State demands careful consideration of legal obligations and strategic decisions regarding business structure. By adhering to the outlined steps and seeking appropriate guidance, you can lay a solid foundation for your enterprise's success. Best wishes on your entrepreneurial journey!

Links

- [Washington State Department of Revenue](#)
- [Washington Secretary of State](#)
- [IRS \(EIN number\) Tax ID #](#)
- [D-U-N-S number](#)