

# Step by Step Guide for Sole Proprietorships in New York

## Step 1: Obtain a Certificate of Assumed Name

As a sole proprietor, you do not need to register your business with the government. However, if you use a DBA (nickname for your business), you must file a [Certificate of Assumed Name](#) with the county clerk's office in the borough where your business is located. Before selecting a DBA name, or using it as a trademark, service mark, domain name, consider running a name search on the NY Department of State [website](#) and run a trademark search to see if the name is currently registered by another business. Federal trademark searches can be conducted for free online through the [United States Patent and Trademark Office](#).

Here is the list of county clerk's offices to register your business:

### Bronx County

851 Grand Concourse, Room 118  
Bronx, NY 10451  
Phone: (866) 797-7214  
Fax: (718) 590-8122

### Kings County

Supreme Court Building  
360 Adams Street, Room 189  
Brooklyn, NY 11201  
Phone: (347) 404-9750

### New York County

60 Centre Street, Room 161  
New York, NY 10007  
Phone: (646) 386-5955

### Queens County

88-11 Sutphin Boulevard, 1<sup>st</sup> Fl.  
Jamaica, NY 11435  
Phone: (718) 298-0605

### Richmond County

130 Stuyvesant Place, 2nd Floor  
Staten Island, NY 10301  
Phone: (718) 675-7700

## Step 2: Obtain Applicable Business Licenses and Permits

You may need to apply for permits and licenses depending on the type of activities and where you are conducting business. Use New York City's [Step-by-Step Guide](#) to determine

which licenses and permits you need; or contact New York's Business Permits Assistance Program at 518-474-8275.

### **Step 3: Obtain an Employer Identification Number (EIN)**

An EIN is a nine-digit number that the government uses to identify your business. Sole proprietors do not need to obtain an EIN, as they can use their social security number to conduct business. However, to protect your personal information you can obtain an EIN. If you hire employees, you are required to obtain an EIN to report wages. Watch out for websites that charge you to apply for an EIN. You can apply for free on the Internal Revenue Service (IRS) website. Another reason to obtain an EIN is to open a Business Bank Account under your DBA to keep business and personal finances separate.

Note that once an EIN is assigned to an entity, it cannot be reused by another entity. If you choose to incorporate, become a partnership, or purchase or inherit an existing business, you will need a new EIN.

### **Step 4: Report your income in your personal tax returns**

As a sole proprietor you are an unincorporated business. This means that your business does not have to report or pay income taxes. However, you must report any income or losses from your business in your personal tax return using forms 1040 or 1040-SR and Schedule C. You will also be responsible for paying self-employment taxes. Consult with a tax attorney for more details.

### **Step 5: Other Considerations**

- Put agreements in writing to prevent disputes.
- If you plan to do business online, ensure that you protect yourself and your customers' data with a Privacy Policy and Terms of Use Agreement.
- Consider applying for the [Minority/Women-Owned Business Enterprise Certification \(MWBE\)](#), if eligible. Getting this certification allows your business to become more visible to prospective buyers, including City agencies and private contractors seeking to purchase goods and services.
- Consider obtaining business insurance to cover expenses from business risks.

**This resource is provided for informational purposes only and does not cover all the issues that could arise when setting up a sole proprietorship. For more information, contact an attorney. For pro bono legal services, you may contact VOLS at (347) 521-5729; or send an email to [microenterprise@volsprobono.org](mailto:microenterprise@volsprobono.org).**