

Home Based Business

1 BUSINESS PLANNING

The New Bedford Economic Development Council (NBEDC) offers technical business assistance, loan opportunities, workshops, and site location assistance once you have drafted a business plan.

*New Bedford Economic Development Council
1213 Purchase Street, Third Floor
New Bedford, MA 02740
508-991-3122
info@nbedc.org
<http://www.nbedc.org>*

Before contacting the NBEDC draft a business plan. Business plans are part of a continuous process to define your business concept, understand your market, set goals and effectively meet client needs. Typically, plans encompass operational issues including, but not limited to, the following: What services and products will your business provide and what needs do these fulfill? Who is your target market and how will you reach them? How will your company secure and repay financing? Contact the Southeastern Massachusetts Regional Small Business Development Center for a detailed business plan guide with a sample business plan:

*Southeastern Massachusetts Regional SBDC
200 Pocasset Street
Fall River, MA 02721
508-673-9783
<http://www.msbdc.org/semass>*

TIP: This guide concerns the regulations and licensing requirements for starting a sole proprietorship with no employees. If planning on hiring employees, consult "Becoming an Employer."

2 LOCATION

The New Bedford Economic Development Council Real Estate Assistance Program (REAP) maintains a list of commercial property for sale, rent, or lease to help business owners find property in New Bedford or relocate within the city.

*New Bedford Economic Development Council
Real Estate Assistance Program
1213 Purchase Street
New Bedford, Massachusetts 02740
Tel: 508-991-3122 Fax: 508-991-7372
info@nbedc.org
<http://www.nbedc.org>*

Draft a detailed floor plan, as you may need it throughout the permitting and licensing process. If you plan to make repairs or do renovations, the floor plan should show what the property will look like when the work is complete. The floor plan does not need to be prepared professionally, but must show all planned furniture, doors, windows, equipment, plumbing and electrical outlets.

3 ZONING AND PERMITTING

- 3a. Contact the **Building Department** and determine which building permits or certificates you may need.

*Building Department
Inspectional Services Division
New Bedford City Hall, Room 308
133 William Street
508-979-1540*

- 3b. If you are placing any new building signs or changing existing ones, contact the **Building Department**.

Any freestanding signage will have to be approved by the **City Planner**:

*Department of Planning
New Bedford City Hall, Room 303
133 William Street
New Bedford, MA 02740
508-979-1488*

- 3c. If you are within one hundred feet of a "wetland resource area", you may need to file a **Notice of Intent** with the **Conservation Commission** in order to move forward with your project. For more information on what constitutes a "wetland resource area" or whether you need to file a Notice of Intent, contact the Conservation Commission:

*Conservation Commission
New Bedford City Hall
133 William Street
New Bedford, MA 02740
508-991-6188*

4 LICENSING

Different licenses and permits will be required depending on the nature of the home based business. If you are vending any of the following products, however, you should contact the appropriate agency for information on licenses or permits.

- 4a. Tobacco: **Massachusetts Department of Revenue**, Cigarette Tax Unit at 617-887-5090 or visit <http://www.dor.state.ma.us/cigarette/cigarette.htm>.

- 4b. Second-hand goods: **City Clerk** about a **Second-Hand Dealer License**:

*City Clerk
New Bedford City Hall, Room 118
133 William Street
New Bedford, MA 02740
508-979-1450*

- 4c. Alcohol: **New Bedford Licensing Board** about a **retail liquor license**:

*Licensing Board
New Bedford City Hall, Room 206
133 William Street
New Bedford, MA 02740
508-979-1547*

- 4d. Food: **Inspectional Service's Health Department**:

*Inspectional Services Division
New Bedford City Hall, Room 308
133 William Street
508-979-1540*

- 4e. Lottery Tickets: **Massachusetts Lottery Commission** (800-462-0234 x 739) or <http://www.masslottery.com/foragents.html>
- 4f. Fresh Seafood (not canned): **Massachusetts Department of Public Health**, Food Protection Program (617-983-6700) and the **Massachusetts Division of Marine Fisheries** (617-626-1520).

NOTE: If your business will stock canned, frozen, and perishable foods in all four staple foods groups (breads/cereals, dairy products, fruits/ vegetables, and meat/poultry/fish), you may be eligible to accept food stamps. For more information on obtaining a license, contact the New England office to the **U.S. Department of Agriculture, Food and Nutrition Service**.

*U.S. Department of Agriculture
Causeway Street, Room 501
Boston, MA 02222-1060
617-565-6380*

5 BUSINESS CERTIFICATE

Prior to opening, you must acquire a **Doing Business As (DBA) Certificate**. Complete an application and submit it to the **City Clerk** with the \$30 application fee (an additional \$10 is required for your own copy):

*City Clerk
New Bedford City Hall, Room 118
133 William Street
New Bedford, MA 02740
508-979-1450*

TIP: Open a business account with your local bank or credit union. If you are not using your social security number for your business, be sure to get your Tax ID# before opening a business bank account. A separate business account spares you the hassle of untangling personal and business transactions when you file taxes, decreases the likelihood of a missed deduction, and facilitates transparent recordkeeping in the event of an audit. Business accounts also increase credibility with potential lenders and clients and accommodate business growth. If possible get a debit card with your account to help you with back up record keeping.

6 TAXES

A **Form of List** is used to document the property owned by your business, so that it may be assessed and taxed by the city. It is required that you file one with the New Bedford City **Assessor's Office**:

*Assessor's Office
New Bedford City Hall, Room 109
133 William Street
New Bedford, MA 02740
508-979-1440*

7 INTERNAL REVENUE SERVICE

You must also file all necessary tax forms with the **United States Internal Revenue Service**. Once you file these forms, the IRS will give you a tax identification number and provide instructions on compliance with federal regulations.

*Internal Revenue Service
JFK Federal Building*

15 New Sudbury St.
Boston, MA 02203
617-316-2850
<http://www.irs.gov>

8 MASSACHUSETTS DEPARTMENT OF REVENUE

You must also file tax forms with the **Massachusetts Department of Revenue (DOR)**. Most sole proprietors file a Schedule C form with their income taxes. If you plan to sell tangible goods, you must file a Form TA-1 to pay Massachusetts' sales tax.

*Massachusetts Department of Revenue
Data Integration Bureau
PO Box 7022
Boston, MA 02204
<http://www.dor.state.ma.us>*

- 8a. Call the DOR's Customer Service Office at 617-887-MDOR (6367) or toll free at 1-800-392-6089 to request the forms by mail. Forms and filing instructions are available on the DOR website; however, it is still recommended that you speak to a DOR representative to ensure you are in full compliance with the law:

<http://www.dor.state.ma.us/forms/formlist.htm>

- 8b. After you have completed the forms either file online or mail the printed forms. Once you file Form TA-1, you will receive your Massachusetts Sales Tax Registration Number.

9 INSURANCE

Do a thorough risk assessment and determine what coverage best suits your business's needs.

Most forms of insurance are not required. However, business insurance protects you and your business in the event of fire, theft, or other losses. The most common coverage types include liability, property, business interruption, "key man," automobile, and home office.

The U.S. Small Business Association (SBA) publishes a booklet called "Small Business Risk Management Guide, #MP-28," which contains information about insurance requirements for business owners. It is available from the SBA by calling 617-565-5590 or you can download it from their website at

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_pub_mplan_mp28eng.doc

If you get insurance, it is recommended that you assess and inventory your business facility and assets every two years. This will ensure replacement costs are up to date, enable you to settle claims faster, and help you explain business losses on your tax returns.

TIP: SCORE, an advisory group for small businesses, offers helpful information for people who are starting home businesses. The site can be found at: http://www.score.org/bp_10.html

Source: "Navigating through Regulations and Licensing Requirements: A Guide for Entrepreneurs in New Bedford in Twenty Occupations", Pioneer Institute for Public Policy Research. www.pioneerinstitute.org