

New Business Setup Checklist (Federal + State)

SAMPLE TEMPLATE — NOT PROFESSIONAL TAX REPRESENTATION. Verify all facts for your situation. Consider consulting a CPA, Enrolled Agent, or tax attorney for large balances. Use of this template does not create a professional-client relationship with TaxKiln.

Sequence matters. Skipping early steps creates expensive cleanup later. This checklist covers federal, state, and bookkeeping foundations for a new sole proprietorship, LLC, or S-Corp.

1. Entity & legal foundation

- Choose entity (Sole Prop / LLC / S-Corp) — see </guides/llc-vs-s-corp-election>.
- If LLC: file Articles of Organization with the state.
- Draft Operating Agreement (single-member LLCs included).
- Check name availability and trademark conflicts.
- If S-Corp election desired: file Form 2553 (within 75 days of formation).

2. Federal registrations

- Apply for EIN at irs.gov/ein — free, immediate.
- File BOI Report with FinCEN (boiefiling.fincen.gov) within required window.
- If S-Corp / multi-member LLC / has employees: open EFTPS account for federal deposits.

3. State & local

- Register with state Secretary of State (foreign-qualify if operating outside formation state).
- Register for state income tax / withholding account.
- Register for state sales tax permit (if selling taxable goods or services).
- Check Wayfair economic nexus thresholds for other states — see </guides/wayfair-sales-tax-nexus>.
- Obtain local business license / DBA filing.

4. Banking & bookkeeping

- Open a dedicated business checking account — never commingle.
- Open a business credit/debit card.
- Set up accounting software (QuickBooks, Xero, Wave) from day 1.
- Set up a chart of accounts mapped to Schedule C / 1120-S line items.
- Set aside 25-35% of every payment in a separate 'Tax' account.

5. Insurance & employees

- General liability insurance (and professional liability if applicable).
- Workers' comp insurance if hiring (state-mandated).

- [] If hiring: register for state unemployment (SUTA) and obtain Form I-9 / W-4 from each hire.
- [] Choose a payroll provider (Gusto, ADP, Paychex, QuickBooks Payroll).

6. First 90 days operational

- [] Build a mileage log (apps: MileIQ, Everlance) — start day 1.
- [] Build a home-office measurement (square footage) and document.
- [] Set Q1, Q2, Q3, Q4 estimated tax payment reminders (Apr 15 / Jun 15 / Sep 15 / Jan 15).
- [] Identify a CPA or Enrolled Agent before tax season.