



Local Roots, Global Reach

# ISLE OF WIGHT COUNTY, VIRGINIA

## Starting a Sole Proprietorship

A sole proprietorship is the simplest business structure. In fact, many people are sole proprietors and don't even know it! If you provide a service or good and get paid for it, you are a sole proprietor. As a sole proprietor, you and your business are the same for income tax reporting purposes. You do not pay yourself a salary as such, because your profits (if any) are considered to be your "salary." Your profits and losses are filed on your personal tax forms. On the downside, as a sole proprietor, you are completely liable, both financially and legally, for your business.

**Business Name:** If you are doing business under a name other than the owner's legal name, you must register a Business Trade Name (Certificate of Assumed or Fictitious Name Form) with the State Corporation Commission. For example: if Jane Doe is opening a business called "Jane's Hair Salon," she will need to file a business trade name. However, if you use your legal name to do business, then you do not have to register a business trade name.

Individuals/businesses can go online to [scc.virginia.gov](http://scc.virginia.gov) to create an account, register the name of the business, and pay the applicable fee. This applies to all assumed/fictitious names, LLC's, corporations, etc. You can check business name availability by going to Business Entity Search on the SCC website. To register an assumed or fictitious name, the fee is \$10.00 for individuals and entities. For additional information, customers can call the SCC at 804-371-9733 or 1-866-722-2551.

**Employer Identification Number (EIN):** As a sole proprietor, you may use your Social Security Number (SSN) as your EIN. You can also choose to get an EIN if you prefer not to use your SSN.

You can obtain an EIN in one of three ways:

- Going to the [IRS's website](http://IRS's website)
- Calling the IRS at 800-829-4933
- Faxing or mailing the completed SS-4 application to:

**Internal Revenue Service**  
**Attn: EIN Operation**  
**Cincinnati, OH 45999**  
**Fax: 859-669-5760**