

Starting a Business in Colorado

Introduction

Starting a business in Colorado is a multi-step process. In this module you will learn how to:

1. Register your business name.
2. Secure your business record.
3. Take next steps.

Get started by clicking the next page button or learn how to navigate.

How to Navigate

Use the next page and previous page buttons in the lower left and right corners to move forward and backward through this module.

If you want to jump to a particular topic, use the menu near the top of the module or the links on the introduction page.

Use the "x" button in the upper right corner of this window to close this popup.

Register Your Business

This section will guide you through the process of registering your business with the Secretary of State. You will learn how to:

1. Determine your legal structure.
2. Check name availability.
3. Complete the correct form.
4. Pay for the filing.

Determine Your Legal Structure

Before you register your business name, you will need to determine the legal

structure for your business. Click on the types below to explore the most common legal structures.

Sole Proprietorship (Individual)

- A Sole Proprietorship is a business owned and operated by a single individual.
- There are few legal requirements to be met to establish a sole proprietorship.
- If an individual is operating the business under a name other than his/her own full first and last legal names, the business name must be registered as a trade name.
- It is the most common form of legal structure for new small businesses.

Content provided by the Colorado Business Resource Guide.

General Partnership

- A General Partnership is a business owned by two or more individuals or other business entities.
- Although it is not required, it is strongly recommended that a general partnership prepare a written partnership agreement that outlines the business' structure and each partner's responsibilities.
- If the partnership owns real property, the partnership agreement should be filed in the county where the property is located. The agreement should be filed with the county office that keeps real estate records. Otherwise, there is no requirement to file the agreement with any state or federal agency.
- If the partners are operating the business under a name other than their own legal names, the business name must be registered as a trade name with the Colorado Secretary of State.

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Corporation

- A corporation is a legal entity that exists separately from the people who create it.

- A corporation is owned by its shareholders and run by a board of directors elected by the shareholders.
- In a large corporation, the directors hire corporate officers to manage the day-to-day operations of the business. In a small corporation, the directors and the corporate officers are usually the same individual(s).
- Corporations are created by filing “Articles of Incorporation” with the Secretary of State and by adopting bylaws.
- There are certain formalities a corporation must adhere to, including:
 - Procedures for annual shareholder meetings
 - The election of the board of directors
 - Maintenance of corporate records
 - Adoption of bylaws
 - Complete separation of personal and business finances
 - Proper filings with the Secretary of State
- Although many of the requirements may seem unnecessary for a small corporation, they are important to preserve the corporate form.

Content provided by the Colorado Business Resource Guide.

Limited Liability Company

- The Colorado Limited Liability Company Act was adopted in 1990.
- An LLC combines the concepts of partnerships for tax purposes and corporations for liability purposes.
- LLC.s are created by filing “Articles of Organization” with the Secretary of State.
- While similar, LLCs are NOT corporations. In an LLC, the owners are called members. The members may elect or hire a manager(s) to run the business. As in a corporation, the owner(s)/member(s) may elect themselves to be the manager(s).

Content provided by the Colorado Business Resource Guide.

The Colorado Business Resource Guide explains most business legal structure options. Consult a C.P.A., lawyer, or business consultant to help determine which legal structure is best for you.

After you've determined the appropriate legal structure for your business, the next step is to check if the name you want to use is available.

Name Availability

You can check if an exact name is available, or check if anyone is using a similar name. The exact name availability search feature does not include trade names. (Learn more about trade names.)

Click on the video player to watch a demonstration of the name availability and business database search features.

Video Transcript:

1. To check if an exact name is available, start by clicking "Business Search".
2. Type the exact name you want to use.
3. Click "Search".
4. The name is available. Click on "Click here to file a document" if you want to file a document with this name.
5. To search the business database for similar names, start by clicking "Business Search."
6. Type the name, or part of the name in the search box. The less you type, the more results you will see.
7. Click "Search".
8. The Business Search Results page shows names with the word or words you searched in them.

Name Availability and Trade Names

The name availability search feature does not include trade names. That's because trade names, such as sole proprietorships and general partnerships, are not protected. Anyone can register any name as a trade name, even a name that is already registered.

Use the business database search feature if you want to know if a particular name is registered as a trade name.

After you've selected a business name, the next step is to access the correct form.

File a Document

Start at the home page of the Colorado Secretary of State's website. Click on "Business Document Filings" under the Business & Licensing heading.

File a Document

Then click "File a form to create a NEW record" on the File a Document page.

File a Document

Select a form to register your business name. The legal structure you already chose will determine which form to file.

Click the graphic below to learn more.

Select an option from the column on the left to register your business name as one of the listed legal structures.

Or, select "Trade name" to register a trade name as a Sole Proprietorship (Individual) or a General Partnership

After you've selected the correct form, you will need to complete it.

File a Document

In this example, you are completing a form to register a new Limited Liability Company.

First you will type the exact business name you want to use in the text box. Click the graphic on this page to see an example. Click again to close it.

Make sure one of the required abbreviations is included in the name. For example, a Limited Liability Company must have one of the following endings in its name:

- "Limited Liability Company"
- "Ltd. Liability Company"
- "Limited Liability Co."
- "Ltd. Liability Co."
- "Limited"

- "L.L.C."
- "LLC"
- "Ltd."

Next, you will complete the rest of the form.

File a Document

Move your mouse over the different parts of the form to learn how to complete it. After you have explored this part of the form, you can continue to the next part.

- The top of the form is the name of the document you are completing. In this example, it is Articles of Organization for a Limited Liability Company.
- Make sure it matches the legal structure you want for your business before completing the rest of the form.
- The entity name is the business name you typed on the previous screen.
- Make sure the name is correct before completing the rest of the form.
- If you need to correct the name, scroll to the bottom of the page and click "Previous Page."
- The principal office street address is required.
- Do not type a mailing address unless it is different than the street address.

File a Document

Move your mouse over the different parts of the form to learn how to complete it. After you have explored this part of the form, you can continue to the next part.

- Enter the registered agent's name.
- The registered agent may be a person or a company based in Colorado, but not both.
- If a person is the registered agent, he or she must be 18 or older.
- The registered agent must consent to being appointed.
- The registered agent accepts service of process.
- The registered agent street address is required and it must be a Colorado address.
- Do not type a mailing address unless it is different than the street address.
- Check the box to indicate that the registered agent has consented to be the registered agent.

File a Document

Move your mouse over the different parts of the form to learn how to complete it. After you have explored this part of the form, you can continue to the next part.

- Enter the name of the person forming the entity.
- It may be an individual or a business entity, but not both.
- If there is more than one person forming the entity, that information can be provided on an attachment.
- The mailing address of the person forming the entity is required. Additional names and addresses can be provided on an attachment.

File a Document

Move your mouse over the different parts of the form to learn how to complete it. After you have explored this part of the form, you can continue to the next part.

Who will manage the entity?

- Choose "the members" if the entity will be managed by its members.
- Otherwise, select "one or more managers" to indicate that the entity will be managed by a 3rd party.
- Check the box to indicate there is at least one member of the entity.
- This step is required.
- Additional information can be added on an attachment.
- Select "Yes" only if you want to add a document as an attachment to the end of the filing. Otherwise, select "No."
- Leave this section blank to make the filing effective right away.
- Enter a date only if you want to delay when the filing becomes effective.
- You can delay the effective date by as many as 90 days.

File a Document

Move your mouse over the different parts of the form to learn how to complete it. After you have explored this part of the form, you can continue to the next part.

- Enter an email address to receive notifications for this business record.

- You will receive an email when it's time to renew, and when any change is made to your business record.
- If you do want to sign up for email notifications, select "No."

- Enter the name and address of the individual filing the document.
- An attachment can be included if more than one individual is responsible for filing the document.

File a Document

Click "Submit" after all information is entered into the form. This will bring you to the Transaction Preview page.

Click the "Submit" button after all information is entered into the form.

File a Document

The Transaction Preview page gives you a chance to preview the document the way it will look when it is filed. Scroll to the bottom of this page. Click "Return to Form" to make changes. If everything is correct, click "Accept" to go to the Online Payment page.

Tip:

Use the inside scroll bar to preview the document.

Use the outside scroll bar to scroll down to the "Accept" and "Return to Form" buttons.

File a Document

Enter your credit card information on the secure Online Payment screen. The fee is displayed near the top of the screen.

Click the "Pay Now" button only once.

Next, learn more about paying by credit card.

File a Document

1. Select your credit card type (Visa, MasterCard, or American Express).
2. Enter your credit card number without dashes or spaces.

3. Select the expiration month and year.
4. Enter the name on the credit card.
5. Enter the billing address for your credit card. This should be the same address where the credit card company mails your statements. Contact your bank or credit card company if you are not sure of your billing address.

File a Document

If the payment is successful, you will see a Transaction Confirmation page. This means the document is filed and the business name is registered. A PDF image of the document will be displayed at the bottom of the page.

You can now...

- print a copy of your filed document,
- subscribe to e-mail notification,
- and set up Secure Business Filing to secure your new business record.

Next, learn how to set up Secure Business Filing.

Setup Secure Business Filing

After you register your business name, you can choose to secure the record so that no one can make changes to it. Once the Secure Business Filing account is created, the business record is secure. Only authorized individuals can file a document for that business. Anyone attempting to file a document will be asked to provide the correct email address and password.

Learn more about secure business records on the next two pages.

Setup Secure Business Filing

The easiest way to set up secure business filing is right after registering a new business name by clicking on "set up Secure Business Filing" on the Transaction Confirmation page.

Setup Secure Business Filing

To create the Secure Business Filing account you will need to provide some basic information such as your name, address, and email address. You will also create your own password. Learn more about creating a password.

After all information is entered, click "Submit". You will see a confirmation page indicating that your account was created.

Click the video player on this page to watch a demonstration.

Video Transcript:

1. Click "set up Secure Business Filing" on the Transaction Confirmation screen.
2. Fill in all the required fields. Required fields have red dots next to them.
3. The password must include at least 8 characters, one lower-case letter, one upper-case letter, and one number.
4. Click "Submit".
5. The account was created. You can now file a document for your record.
6. Or log in and administer your account.
7. Log in using the same email address and password you used to create your account.
8. Click "Submit".
9. Now that you are logged in, you can change your account information, and add or delete accounts.

The next section will explain other steps to start a business in Colorado.

Create a Password

The password must include at least eight characters, one lower-case letter, one upper-case letter, and one number.

Here is an example password:

myPass50

Next Steps

Congratulations! You've learned how to register your business with the Secretary of State. That is the first step toward starting a business in Colorado. Now what?

Here are some next steps you might need to take, and some helpful resources. Learn how to:

Open a bank account.

Obtain a federal tax I.D. number.

Obtain a sales tax license and wage withholding account.

Obtain a business license.

Access other resources.

Get started by clicking the next page button.

Open a Bank Account

To open a bank account under your business name the bank usually requires proof that you filed with the Secretary of State's office.

There are two documents the bank might ask to see:

- A stamped copy of the document you filed to register your business name with the Secretary of State. View a sample. For example, Articles of Organization if your business is an LLC, or a Statement of Trade Name if your business is a sole proprietorship.
- A Certificate of Good Standing from the Secretary of State. View a sample. Most types of business entities in Good Standing with the Secretary of State can obtain this certificate. Trade names, such as sole proprietorships, cannot.

The bank might ask for one, or both of these documents. They are freely available on the Secretary of State's website, and can be printed at any time.

For more information, contact your bank to find out exactly what they require to open an account.

Obtain a Federal Tax ID Number

All business entity types—except for a sole proprietor with no employees—need

to get a Federal Employer Identification Number (F.E.I.N.) from the Internal Revenue Service.

To start the process online:

1. Go to www.irs.gov
2. Click on "Business"
3. Click on "Employer I.D. Numbers"
4. Follow the instructions to apply for an F.E.I.N. online, by telephone, fax, or mail.

For more information visit the IRS website at www.irs.gov or call the IRS at 1-800-829-4933.

Obtain a State Tax Number

You can obtain a Sales Tax License and a Wage Withholding Account from the Colorado Department of Revenue.

- You need a Sales Tax License if you sell products.
- You need a Wage Withholding Account if you have employees and withhold state income tax.

For more information visit www.taxcolorado.com, or call the Department of Revenue's Tax Assistance Hotline: 303-238-SERV (7378).

Obtain a Business License

In Colorado, a business license is not always required. There is no such thing as a general business license. However, many businesses do need a specific license or licenses depending on the type of business and how it's regulated.

Here are some online resources to help determine if your business needs a business license:

- The License Database put together by the Office of Economic Development and International Trade lists licensing requirements at both the state and local levels. (<http://www.colorado.gov/oed/industry-license/>)
- The Department of Regulatory Agencies maintains a list of licensing

requirements for the many types of occupations and businesses it regulates at the state level. (<http://www.dora.state.co.us/Licensing.htm>)

Remember: There are specific business licenses issued at both the state level and the local city or county level. Check with your local licensing department.

Other Resources

There are many other resources available to assist in starting your new business in Colorado. Here are some you might find helpful:

Business Registration

Colorado Business Express - Offers a quick and easy way to register a business with the Colorado Department of Revenue and/or the Department of Labor and Employment. (<https://www.colorado.gov/apps/jboss/cbe>)

Colorado Secretary of State - Records business names and other information in Colorado. (<http://www.sos.state.co.us>)

Taxes and Employment

Colorado Department of Labor and Employment - Provides employer resources and information. (<http://www.colorado.gov/cs/Satellite/CDLE-Main/CDLE/1240336821467>)

Colorado Department of Revenue - This is Colorado's state tax office. (<http://www.colorado.gov/cs/Satellite/Revenue/REVM/1176842266433>)

Internal Revenue Service - This is the Federal tax office. (<http://www.irs.gov>)

Information and Assistance

Colorado Business Resource Guide - Presents a comprehensive business startup guide. (<http://www.colorado.gov/cs/Satellite/OEDIT/OEDIT/1154721645662>)

Colorado Office of Economic Development and International Trade - Offers many programs designed to support Colorado businesses. (<http://www.colorado.gov/cs/Satellite/OEDIT/OEDIT/1162927366334>)

Hispanic Chamber of Commerce of Metro Denver - Promotes and advances the growth of Hispanic business. (<http://hispanicchamberdenver.org>)

Small Business Administration - Helps small businesses obtain loans, grants,

bonds and other financial assistance.
(<http://www.sba.gov/about-offices-content/2/3104>)

Small Business Development Centers - Offers free confidential counseling and various training programs. (<http://www.coloradosbdc.org>)

Thank you

This is the end of the module. If you need more information, contact the Colorado Secretary of State's Office.

You can now exit or go back to the introduction.

Contact Us

Colorado Department of State - Business & Licensing
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Denver, CO 80290

The Secretary of State's Office is located at the northeast corner of 17th and Broadway. ([Map](#))

Office Hours: Monday through Friday, 8:00 AM - 5:00

Call us: 303-894-2200, option 2
Visit our website: www.sos.state.co.us