



Salisbury

MARYLAND

Thank you for your interest in **Salisbury, Maryland!** The City of Salisbury has taken great strides to enhance and improve the business and development process and we look forward to working with you.

Salisbury, Maryland is strategically located on the Eastern Shore of Maryland in Wicomico County. At the heart of the city is the intersection of two major thoroughfares, Route 50 heading East/West and Route 13 heading North/South. As the "Crossroads of Delmarva," Salisbury is the County seat of Wicomico County and is the largest City on Maryland's Eastern Shore.

The City is committed to promoting economic and business development in Salisbury. Several areas within City limits are eligible for many of the state and local incentive programs available to new and existing entrepreneurs. This business guide is designed to educate entrepreneurs on what the general business development process is and help them bring their visions to fruition. The attraction and retention of businesses is important to our community and we want to extend a sincere thank you for your interest in the City of Salisbury.



*Please feel free to contact our Director of Business Development
at (410) 677-1916 or LSoper@salisbury.md
to discuss your concept and see if we can help you.*

BUSINESS PLAN, STRUCTURE & FINANCING

BUSINESS PLAN

The Business Plan is a “must-do” and one of the most important steps of starting a business. It functions as a roadmap for decision-making and keeps business owners on track with the core mission and goals of the company. A well-written business plan projects growth and anticipates operating revenues and expenditures for up to three to five years. Business plans also play a key role in raising capital and/or securing bank financing for business startup or expansion. There are numerous resources and templates available online to assist entrepreneurs with writing a comprehensive business plan. A successful business plan includes a company description and overview, a strong marketing and financing strategy, a detailed analysis of the target industry, and a written action plan, which describes how the business intends to meet project goals.

BUSINESS STRUCTURE

When starting a business, an entrepreneur must choose its legal or business structure carefully. This is important because this decision can affect how much in taxes are paid, the personal liability of the business owner, and a business' ability to borrow money to finance its capital and operating expenditures as the business grows. Before opening a business, an entrepreneur must choose which business structure is appropriate based on the needs of the owner(s). The most common forms of businesses structures are Sole Proprietorships, Partnerships, Limited Liability Corporation and Limited Liability Corporations. Depending on which business structure, there are different legal and tax implications. An entrepreneur should consult with an Attorney or Accountant to identify which entity best suits the business.

FINANCING

In most cases, starting a business will require financing . When financing a business, there are multiple ways an entrepreneur can obtain funding for a new business startup. It is very important to do thorough research to see what funding options will be feasible for your business and identify them in the business plan. Before pursuing financing, it is important to create a list of expenses your business can and may incur. Lenders will want to make sure you have done your due diligence.



LICENSING

In consideration of your business name and concept, it is important to consult with a Business Lawyer in regards to licensing. Make sure to do adequate research on which licenses and permits you will need to open your business, as each business type may have different requirements. Be sure to check out the Maryland Central Business Licensing and Registration Portal to take care of many of your State requirements

Some common ones include:

- **Federal Employer Identification Number (EIN):** An Employer Identification number is a nine-digit number the Internal Revenue Service (IRS) assigns in the following format: XX-XXXXXXX. It is used to identify the tax accounts of employers and business who have no employees. The IRS uses this number to identify taxpayers that are required to file various business tax returns. Employers, sole proprietors, corporations, partnerships, non-profit associations, trusts, government agencies, and other business entities use EIN's. The EIN are used on all items submitted to the IRS and the Social Security Administration.

Caution: An EIN is for use only in connection with business activity. The Employer Identification Number is not to replace the use of a social security number (SSN).

For additional information on Employer Identification Numbers, please check the IRS website. Additional information on the record keeping and completion of these forms are available online for businesses to review.

www.irs.gov | 410-677-6718

- **State of Maryland Business License:** Applications for a Maryland Business License are obtainable from the Clerk of the Circuit Court. This Clerks Office is located at 101 North Division Street in Downtown Salisbury. To register for a Maryland Business License; new businesses must register with the Department of Assessment and Taxation first. In some cases, you may need to bring your Commercial Lease for documentation

www.wicomicocounty.org | 410-543-6551

» After receiving your Assessment/Taxation Account Number and the Business License Application, visit Wicomico County's Finance Office to pre-pay Personal Property Taxes and the City of Salisbury Finance Office to pay Personal property Taxes (applicable only if your business is within City limits)

» After completing the steps listed above, a representative from the County Clerk's Office will issue a business license to the new business owner.

- **City of Salisbury Business License:** Many businesses are required to have a license to conduct business within the City of Salisbury. Hawkers & Peddlers (including food trucks), Restaurants, Landlords, Alarm Companies, Towing Companies, and Theatres are some of the business entities that require a business license from the City. Any new businesses should contact the Office of Business Development to obtain additional information and a complete list of licensure requirements.

www.salisbury.md | 410-677-1915

- **State Department of Assessment and Taxation:** All new businesses in Maryland must register their business name with the State Department of Assessment and Taxation. After registration, a tax assessor evaluates all business assets for taxation before issuing a state and local business license. After the assessed taxes are paid, new businesses will receive a state issued business license. Legal entities, such as a Corporation or LLC, must also register with SDAT. These forms are available online or at the Office of Assessment and Taxation at the District Court Building on Baptist Street in Salisbury, Maryland.

www.dat.state.md.us | 410-767-1340

- **Trader's License:** A Trader's License is required for selling goods & merchandise in Maryland and is applicable to both retailers and wholesalers. The fee for the license is based on the value of the commercial inventory that a business reports on their personal property return which is filed with the Maryland Department of Assessments and Taxation www.dat.state.md.us | 410-767-1340

- **Department of Labor, Licensing, and Regulation:** In some cases, the DLLR requires licenses for certain types of businesses & occupations. The DLLR is a major occupational and professional licensing agency in the State of Maryland and enforces commerce, employment, workplace, and safety laws. Please call or visit their website for information on which occupations require a license.

www.dllr.state.md.us | 1-888-218-5925

- **State Sales & Use Tax ID/Employer Tax Accounts:** Many businesses are required to collect and remit sales tax. You should contact the State Comptroller to see if it is required for the business.

www.marylandtaxes.com | 1-800-638-2937

- **Wicomico County Health Department:** In Wicomico County, the Health Department is responsible for managing the following services: permanent and temporary food services, food services facility licensing, septic and well applications, and burning permits.

www.wicomicohealth.org | 410-546-4446

- **Wicomico County Liquor License:** Administers licenses to sell alcohol and regulates alcohol sales.

410-548-4835

OTHER CONSIDERATIONS

MARKETING:

One of the most important aspects of owning a business and there are innumerable avenues that can be used to spread the word about your business. There are many local and regional media outlets and opportunities that you may be able to take advantage of.

INSURANCE:

Determine the type of coverage needed for your business and contact an insurance agent or broker for quotes or answers to any questions you may have. You may also want to consider health & disability insurance options if you are hiring employees.

HIRING:

If necessary, make a plan for how many people you plan on hiring, at what rate they will be hired at, and take into consideration workforce development. Create an employee handbook that will specify the rules and standards of your organization.

ACCOUNTING:

Set up a recordkeeping system for all payments to and from your business. You may want to purchase a business accounting software program or hire a bookkeeper or accountant to help you maintain your expenses.