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Corporations Division

ARIZONA CORPORATION COMMISSION

TEN STEPS TO STARTING A BUSINESS IN ARIZONA

IMPORTANT – the following is only a *suggestion* of the sequence and type of steps that might be needed to start a business in Arizona. Your particular business, tax, or legal needs may require that you take different action or do things in a different order. The below information is only an overview, and is not intended to provide legal or tax advice or to be a complete resource. We recommend you consult with knowledgeable professionals such as an accountant and an attorney to determine the particular needs of your business.

1. **CHOOSE A NAME** Choose a name for the business entity and search it on the internet (Google it) to see if other persons are using the name. If others are using the name, you may incur legal consequences if you use the same or a very similar name. Consult an attorney to find out the legal issues involved with using a name that is owned by or used by others.
2. **PURCHASE A DOMAIN NAME OR SEE NUMBERS 3, 4, AND 5 BELOW** If you are going to have a website that is the same as the entity name, you can purchase the domain name at this stage, or you can wait until after you've checked the name availability through the Arizona Corporation Commission (see numbers 4 and 5 below). *Note* – the A.C.C. does not sell or register domain names, and owning a domain name does not give you any right to the name through the A.C.C. or through the Arizona Secretary of State. Domain names are completely separate from the A.C.C. and the Arizona Secretary of State.
3. **CHOOSE AN ENTITY TYPE**
Choose an entity type for the business (corporation, nonprofit corporation, or limited liability company (LLC)).
Note – "S" corp, "C" corp, and "501c3" corp are only federal tax designations – in Arizona you would just form a corporation or a nonprofit corporation. The Arizona Corporation Commission Corporations Division cannot tell you what type of entity you should form. An accountant can advise you concerning tax issues, or an attorney could advise you concerning liability, tax, and other issues, or there are many resources on the internet. A valuable resource is the Arizona Commerce Authority Small Business Services, www.azcommerce.com/smallbiz.
4. **CHECK NAME AVAILABILITY WITH THE ARIZONA CORPORATION COMMISSION**
Check the entity name on the A.C.C. website to see if it is available (see if there are any corporations, LLCs, or trade names that are already using the name). Go to www.azcc.gov/divisions/corporations under "starting a business" then "entity name availability."
5. **SECURE THE NAME OR FORM THE ENTITY – YOU CHOOSE**
If the entity name is available on the A.C.C. website, you have three options.
 - a. You can get a name reservation through the A.C.C. website; or
 - b. You can go to the Secretary of State's website www.azsos.gov and register the name as a trade name; or
 - c. You can submit the paperwork to the A.C.C. to form your entity.

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- A name reservation through the A.C.C. is good for only 120 days. It “holds” the entity name until you can submit the paperwork to form the entity.
 - A trade name is effective for 5 years. The Secretary of State registers trade names, not the A.C.C. There are legal considerations as to why you might want a registered trade name, and you should consult with an attorney to determine if you should obtain a trade name. The A.C.C. cannot advise you on whether you should get a trade name or a name reservation.
 - If you have a trade name, it is not necessary to also have a name reservation. The trade name “holds” the name for you, and you can form an entity with that name as long as you own the trade name.
- 6. FILE WITH THE ARIZONA CORPORATION COMMISSION CORPORATIONS DIVISION** Submit the formation paperwork to the A.C.C. If you are forming an LLC, you will submit Articles of Organization. If you are forming a corporation, you will submit Articles of Incorporation. The A.C.C. has forms available at <http://www.azcc.gov/divisions/corporations/filings/forms/index.asp>. The formation paperwork must be examined and approved by A.C.C. staff. If approved, you will get an approval letter with additional instructions. If rejected, your letter will instruct you on how to resubmit the paperwork. You can wait until approval before completing steps 7 through 10.
- 7. ARIZONA DEPARTMENT OF REVENUE** You might need to complete a transaction privilege tax application with the Arizona Department of Revenue. Check the ADOR website, www.azdor.gov, and the Arizona Commerce Authority Small Business Services website www.azcommerce.com/smallbiz for more information. The Arizona Corporation Commission cannot advise you whether or not you will be subject to the transaction privilege tax – you should contact the ADOR.
- 8. CITY OR COUNTY TAXES AND BUSINESS LICENSING** Register the business entity with the city in which the business is located (or county if you are in an unincorporated area). This is for transaction privilege tax purposes and also for any business or occupational licenses that the city requires. The Arizona Corporation Commission does not issue business or occupational licenses. The Arizona Commerce Authority Small Business Services website www.azcommerce.com/smallbiz has links to various informative sites concerning taxes and licensing.
- 9. FEDERAL EIN OR TIN – INTERNAL REVENUE SERVICE** Check the Internal Revenue Service (IRS) website www.irs.gov to obtain an EIN (employer identification number) or TIN (tax identification number). The Arizona Commerce Authority Small Business Services website www.azcommerce.com/smallbiz has links to various informative sites concerning taxes.
- 10. BUSINESS BANK ACCOUNT** Open a business account with your bank or credit union. Please note that the A.C.C. will not accept temporary checks that do not have a pre-printed name or address on them, so if you do not yet have permanent checks for your business account that are imprinted with your business name or address, you may have to pay the filing fees through a different established account.