



# BUSINESS QUICK START GUIDE AUTOMOTIVE REPAIR



## Free One-on-One Consulting is Available

Small business technical assistance centers are available throughout the State of California to provide you with direct one on one support **at no cost to you.**

To find your nearest center, visit [business.ca.gov/centers](https://business.ca.gov/centers)



# BUSINESS QUICK START GUIDE FOR AUTOMOTIVE REPAIR

Automotive repair businesses may conduct a variety of services, including engine and mechanical repair, auto body repair, services to brake and lamp systems, as well as smog check centers. Most of these services are performed in a commercial shop, but some automotive repair businesses offer mobile services. Below is a list of local, state, and federal requirements that may apply to these business types.

## AT THE STATE AND FEDERAL LEVEL:

- **Bureau of Automotive Repair License** – The California Bureau of Automotive Repair (BAR) administers a variety of licenses for automotive repair professionals, from general licenses to specialty ones for brake and lamp services or smog checks. For a complete list of license types and information on how to apply, see the links below.
  - License Types: [http://www.bar.ca.gov/Industry/Getting\\_Licensed.html#ARD](http://www.bar.ca.gov/Industry/Getting_Licensed.html#ARD)
- **California Secretary of State (SOS) Filing** – Not necessary for sole proprietors, but if you intend to form a corporation, limited liability company or partnership, you must file with the SOS.
  - SOS Forms: <http://www.sos.ca.gov/business/be/forms.htm>
- **Income Taxes** – All businesses are required to file state income tax with the Franchise Tax Board (FTB) and Federal Taxes with the Internal Revenue Service (IRS):
  - FTB: [https://www.ftb.ca.gov/businesses/index.shtml?WT.mc\\_id=Global\\_Businesses\\_Tab](https://www.ftb.ca.gov/businesses/index.shtml?WT.mc_id=Global_Businesses_Tab)
  - IRS: <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Business-Taxes>
- **Sales & Use Tax** – If you will be selling tangible property, consult the California Department of Tax and Fee Administration (CDTFA) for a Seller's Permit. You may also qualify for a Resale Certificate. *Note: These activities were formerly administered by the Board of Equalization (BOE), so guides are still linked to the BOE website.*
  - CDTFA Seller's Permit: <http://www.cdtfa.ca.gov/services/permits-licenses.htm>
  - Tax Guide for Auto Repair Garages: <https://www.cdtfa.ca.gov/industry/auto-repair.htm>
- **For Employers** – If your business will have employees, be advised of the following:



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- **Wages, Hours, & Working Conditions** – Businesses with employees must comply with laws establishing minimum standards for wages, hours and working conditions. Consult the California Department of Industrial Relations website at <http://www.dir.ca.gov/dlse/dlse.html>.
- **Worker's Compensation** – Businesses with employees must maintain Worker's Compensation Insurance coverage. Consult the California Department of Industrial Relations website at <http://www.dir.ca.gov/dwc/employer.htm>.
- **Employment Development Department (EDD) Registration** – An employer is required to file a Registration Form within 15 days after paying more than \$100 in wages to one or more employees. Please consult the California EDD website at [http://www.edd.ca.gov/Payroll\\_Taxes/Am\\_I\\_Required\\_to\\_Register\\_as\\_an\\_Employer.htm#business\\_sub](http://www.edd.ca.gov/Payroll_Taxes/Am_I_Required_to_Register_as_an_Employer.htm#business_sub).
- **Federal Employer Identification Number (EIN)** – Employers with employees, business partnerships, and corporations, must obtain a Federal EIN from the Internal Revenue Service (IRS). Businesses can obtain appropriate federal income tax forms from this location. Please consult the IRS website at [http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online).

### AT THE LOCAL LEVEL:

- **Business License** – Most local governments require a business license (or business tax registration). If your business will be located in an incorporated city, contact the city. If your business will be located in an unincorporated area, contact the county.





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- **Zoning** – Whether you will be a home-based business or will occupy commercial space, consult your local planning department to be sure your business activities are permitted. If your business will be located in an incorporated city, contact the city. If your business will be located in an unincorporated area, contact the county.
- **Building Permits** – Whether constructing a new building or making modifications to an existing one, most work that contractors perform require a building permit. If your business will be located in an incorporated city, contact the city. If your business will be located in an unincorporated area, contact the county.
- **Fictitious Business Name** – A Fictitious Business Name or Doing Business As (DBA) statement is required when: the business name does not include the surname of the individual owner(s) and each of the partners; or the business name suggests the existence of additional owners; or the nature of the business is not clearly evident by the name of the business. This is always obtained from the county in which a business is located.
- **Small Business Development Center** – You can also check in with your local Small Business Development Center (SBDC) as well. The SBDCs provide assistance to small businesses starting or growing and offer free advice and consulting. To find an SBDC closest to you, click this link and enter your zip code: <http://americassbdc.org/home/find-your-sbdc/>, they may be better equipped to advise you on local requirements.

### ONLINE PERMIT ASSISTANCE TOOL:

You can use our online permit assistance tool, **CalGOLD** ([www.calgold.ca.gov](http://www.calgold.ca.gov)) to identify local, state, and federal permit information for businesses. The online tool provides webpage links, application forms, and contact information for the various agencies that administer and issue these permits. For permits and registrations administered by the State of California, CalGOLD also includes a Forms and Fee Finder with direct links to applications and fee information. Once at the website, input your city and type of business. If your business is not listed, you can select "General Business Information" for a list of general requirements.

### CONSIDERATIONS:

This Quick Start Guide is only one source of information among the many sources that are available to you. You may wish to consider multiple sources in order to make an informed decision. You are solely responsible for making a decision about how to form and create your business. You are responsible for



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determining whether the information you obtain through your use of this Guide is suitable for your purposes.

Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a lawyer if you want legal advice or any other individual or service provider for specific guidance. We offer this for informational purposes only.

### **PROP 65:**

Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986, requires businesses to provide a clear and reasonable warning before knowingly and intentionally exposing anyone to chemicals that are known to state to cause cancer or birth defects or other reproductive harm. It is important to know that a product that receives certification from the United States Food and Drug Administration, or another federal agency or state agency, is not necessarily exempt from California requirements for chemical exposure warnings. Businesses should be aware of the levels of harmful chemicals in their products and of applicable Proposition 65 requirements. For more information on Proposition 65 and how to comply with its requirements, please visit <https://oehha.ca.gov/proposition-65>.