



START A SOLE PROPRIETORSHIP IN OHIO



Helping entrepreneurs create a prosperous economy for every Ohio family.





Dear Entrepreneur:

Business starts at the Secretary of State's office, and we're working hard to help Ohio entrepreneurs grow and succeed.

Ohioans have a reputation for being creative and industrious. And our state, year after year, is where businesses are growing and thriving. Their success is Ohio's success.

This publication can help you get your business started right. Starting a business requires a great deal of planning and work and this guide will provide you with some important ideas and tips for getting it done. While this guide is meant to help, it does not constitute legal advice. If you have specific questions, please consult a lawyer.

I also encourage you to visit our online resource: OhioBusinessCentral.gov. Through Ohio Business Central, you can file a number of forms online, obtain and request publications, search existing businesses and sign up for our Filing Notification System to track and protect your business from potential identity theft.

If you have further questions regarding corporate filings, please call 877.767.3453 or email business@OhioSoS.gov.

I wish you the best of luck in starting your business. Just as you work to help your venture succeed, we'll be doing our part to continue moving our great state forward.

Yours in service,

A blue ink signature of Frank LaRose, written in a cursive style.

Frank LaRose
Ohio Secretary of State



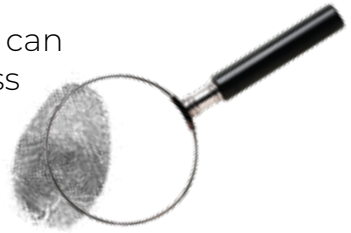
TABLE OF CONTENTS

Preface	1
Personal Information	1
What Is a Sole Proprietorship?	1
Forms	2
Registering Name of a Sole Proprietorship	2
Trade Name	2
Fictitious Name	3
Choosing a Business Name	3
Special Name Considerations	4
Frequently Asked Questions	4
Submitting Filings	5
Business Identity Theft: Don't Be A Victim.....	6
Expedited Service	7
Contact Business Services	8
Available Resources	8
Business Startup Checklist	inside back cover

Business Identity Theft

Don't Be a Victim

- Thousands of companies around the country have been victims of business identity theft. Protect your identity by signing up for the Ohio Secretary of State's **UCC Watchlist**. The Watchlist helps protect users when fraudulent and incorrect UCC filings are submitted in their name.
- Identity theft affects businesses too. Criminals can use your business' identity to illegally transact business and establish lines of credit. Business Identity Theft costs companies time and money.
- The Secretary of State's office can help you protect your business identity with the **Business Filing Notification System**.



What is the Business Filing Notification System?

The Business Filing Notification System is a free service allowing you to track any filing changes or updates made to your business.

For more information and to sign-up, visit
OhioSoS.gov/IDTheft



PREFACE

This guide has been prepared for informational purposes only and does not constitute legal advice. It is recommended that you seek legal and tax counsel before acting upon this information. For help finding a lawyer in Ohio, visit the Ohio Bar Association at OhioBar.org.

PERSONAL INFORMATION

The Secretary of State's office has the authority to reject any document containing a Social Security number or federal tax identification number. Please remove all personal information from documents prior to filing them.

WHAT IS A SOLE PROPRIETORSHIP?

A sole proprietorship is a business entity in which there is a single owner entirely responsible for business decisions and liabilities. There is no legal distinction between the business and the owner. All business profits, losses and assets are the personal profits, losses and assets of the owner.

Many people decide to form a sole proprietorship due to the ease of creation and function. The owner is the sole decision maker and does not share the profits. In addition, the profits are taxed as personal income and are not subject to a corporate tax. However, owners of sole proprietorships have unlimited liability with regard to the debts and obligations of the business. Personal assets of the owner are at risk if the liabilities of the sole proprietorship exceed its assets.

Ultimately, you may wish to consult an attorney and/or tax professional before deciding which type of entity is best for your business.



FORMS

Sole proprietorships are not required to file paperwork with the Secretary of State in order to conduct business in the State of Ohio. However, if a sole proprietorship wishes to do business under a name different from that of the sole proprietor (personal name, i.e. Bob Smith), they must register a trade name or report the use of a fictitious name with the Secretary of State's office.

REGISTERING NAME OF A SOLE PROPRIETORSHIP

Sole proprietors may conduct business under their own name, a trade name or a fictitious name.

Trade Name

A sole proprietor doing business under a name other than their own may register a trade name with the Secretary of State. Trade names give the owner exclusive right to use that name and are protected from use by others. Ohio Revised Code Section 1329.01(B) requires that an application for a trade name contain:

1. The name and business address of the applicant.
2. The trade name to be registered.
3. The general nature of the business conducted by the applicant.
4. The length of time during which the trade name has been used by the applicant in business operations in the state. (The date of first use must be prior to the date the application is submitted to the Secretary of State).



Fictitious Name

If a person plans to conduct business under a name other than their own and does not plan to register a trade name, or if the preferred name is unavailable for registration, they must notify the Secretary of State of their plan to use the business name, according to Revised Code section 1329.01(D). This involves filling out a form stating:

1. The name and business address of the user.
2. The fictitious name being used.
3. The general nature of the business conducted by the user.

A trade name or fictitious name can be registered by filing a Name Registration (Form 534A). The filing fee is \$39.00.

Choosing a Business Name

Revised Code section 1329.02 lists the restrictions on selecting a name for a sole proprietorship. In choosing a business name, a sole proprietor may not register a trade name that is connected with an agency of the federal government or any state government. A sole proprietor is also restricted from selecting a name that indicates the business is incorporated when it is not. Trade names must also be distinguishable upon the records in the Secretary of State's office from other previously registered business names and/or trademark/service mark registrations. The Secretary of State determines which names are distinguishable upon the records from those previously registered.

To determine whether the name you wish to use is available, you may conduct a search on the Secretary of State's website at OhioSoS.gov, or call 877.767.3453, or email the Secretary of State's office at business@OhioSoS.gov.



Please note: It is a good idea not to order signs, letterhead or other supplies reflecting the business name until the name is registered. Also, consider having two or three alternative business names in mind in case the desired name is unavailable.

Special Name Considerations

Some business names are subject to unique name requirements or restrictions. For example, if a business wishes to use the word “bank” or “trust” in its name, it must seek approval from the Ohio Department of Commerce - Division of Financial Institutions before registering the sole proprietorship’s name with the Secretary of State. Please refer to the Guide to Name Availability on the Secretary of State’s website to learn more regarding specific name requirements and restrictions.

FREQUENTLY ASKED QUESTIONS

Q: I want to file as a “Sole Proprietor” but couldn’t find the form for a sole proprietor. What form do I use?

A: Sole proprietorships are not required to register the business entity, therefore, there is no form to complete. However, there is a requirement to register a trade name or report the use of a fictitious name if using a business name. If the sole proprietorship is using his or her personal name only then there is no filing requirement. (For example, if you are doing business under your personal name, i.e. Bob Smith, then you do not need to register with our office, but if you are doing business under the name “Bob Smith’s Automotive Shop,” then the name must be registered with our office as a trade name or fictitious name). To register a trade name or fictitious name, you must complete Name Registration (Form 534A).



Q: Is it possible to be a sole proprietor LLC or corporation?

A: No. A sole proprietorship is a separate type of business entity with separate legal characteristics. However, an individual may create and own an LLC or corporation.

Q: Where in the Ohio Revised Code (ORC) does it say I have to register as a sole proprietor?

A: Ohio law does not require that a sole proprietorship must register with the Secretary of State. Ohio Revised Code Chapter 1329 does require business names to be registered with the Secretary of State.

SUBMITTING FILINGS

For quick and accurate service, complete filing forms online at OhioBusinessCentral.gov and pay with any major credit card. Filings will either be processed automatically upon submission or a review may be required and approval certificate will be sent to your email address after submission.

If you prefer, please obtain a filing form to be submitted by mail at OhioSoS.gov. Please mail the form to the address provided on the filing form.

To submit a filing in person go to the Secretary of State's Client Service Center. The Client Service Center is open between 8:00 a.m. and 5:00 p.m., Monday to Friday. The Client Service Center is closed on holidays and the day after Thanksgiving.



BUSINESS IDENTITY THEFT: DON'T BE A VICTIM

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Identity theft affects businesses too. Criminals can use your business' identity to illegally transact business and establish lines of credit. Business Identity Theft costs companies time and money.

The Secretary of State's office can help you protect your business identity with the Business Filing Notification System. The Business Filing Notification System is a free service allowing you to track any filing changes or updates made to your business. For more information and to sign-up, visit OhioSoS.gov/IDTheft.





EXPEDITED SERVICE

The Ohio Secretary of State offers three levels of expedited service for filings. An expedited level 1 filing may be mailed, submitted in person, or filed online. Levels 2 and 3 may only be submitted in person at the Client Service Center or filed online at OhioBusinessCentral.gov.

Levels of Service	Additional Fee	Turnaround Time
Expedited 1	\$100.00	2 Business Days
Expedited 2	\$200.00	1 Business Day
Expedited 3	\$300.00	4 Hours*

The expedited filing fee must be added to each filing submitted. If only some of your filings require expedited service, please submit a separate check for the expedited filings.

In the event of an expedited 3 filing containing an error, the customer will be notified. If a filing is re-submitted by 1:00 p.m., the filing will be processed by 5:00 p.m.

***Please note:** Expedited level 3 filings submitted after 1:00 p.m. will be available the next business day.



CONTACT BUSINESS SERVICES

Ohio Secretary of State
Business Services Division
614.466.3910
877.767.3453
TTY: 877.644.6889

Client Service Center

Note: The Ohio Secretary of State's office is moving. Please verify the address of the Client Service Center before traveling to the office.

Hours of Operation

Monday - Friday 8:00 a.m. - 5:00 p.m.
Open 24 hours at OhioSoS.gov.

Email: business@OhioSoS.gov
Website: OhioSoS.gov
File online: OhioBusinessCentral.gov

Multilingual services are available.

ADDITIONAL RESOURCES

This guide focuses on the forms and processes of the Secretary of State's office with respect to forming a for-profit entity in Ohio. However, there are other agencies that regulate and/or assist Ohio businesses. The Ohio Secretary of State's office hosts the Ohio Business Resource Connection located at OhioSoS.gov/BusinessResources. The Resource Connection is a directory of services for all Ohio businesses and includes specific services for woman, minority, disability, and military or veteran owned businesses.

Quick-Start for Your Business

Doing our part to ensure a prosperous economy



To help you start this journey, we've put together a checklist of 10 important things you may want to consider.

- Register with the Ohio Secretary of State.
- Obtain a federal Employer Identification Number (EIN).
- Open a bank account.
- Register with the Ohio Department of Taxation at [Tax.Ohio.gov](https://tax.ohio.gov).
- Report newly-hired and re-hired employees to the Ohio New Hire Reporting Center.
- Determine what may be required of your business by the Ohio Bureau of Workers' Compensation.
- Identify requirements of the Ohio Department of Job & Family Services.
- Obtain the proper licenses and permits.
- File an Annual Report of Unclaimed Funds.
- Discover growth opportunities for your new business.

For more information on starting a business or nonprofit

OhioSoS.gov



BUSINESS SERVICES

OhioSoS.gov | business@OhioSoS.gov

877.767.3453 | TTY 877.644.6889