

Sample article for organizations to use to reach customers (325 word count)

Post the following article on your websites and/or use in other communication vehicles to help people starting their own business.

Starting a business? Check out these tax tips

If you plan to [start a new business](#), or if you've just opened your doors, it's important for you to know your federal tax responsibilities. Here are five basic tips from the IRS that can help you get started:

1. **Type of business** — Early on, you will need to decide the [type of business](#) you are going to establish. The most common types are sole proprietorship, partnership, corporation, S corporation and Limited Liability Company. Each type reports its business activity on a different federal tax form.
2. **Type of taxes** — The type of business you run usually determines the type of taxes you pay. The four general types of business taxes are income tax, self-employment tax, employment tax and excise tax.
3. **Employer Identification Number** — Oftentimes, a business needs to use a federal [EIN](#) for tax purposes. Check [IRS.gov](#) to [find out if you are required to obtain and use an EIN](#). If you do, you can [apply for an EIN online](#).
4. **Accounting method** — Each taxpayer must also use a consistent [accounting method](#), which is a set of rules that determine when to report income and expenses. The most common are the cash method and the accrual method of accounting. Under the cash method, you typically report income in the year that you receive it and deduct expenses in the year that you pay them. Under the accrual method, you typically report income in the year that you earn it and deduct expenses in the year that you incur them. This is true even if you receive the income or pay the expenses in a future year.
5. **Employees** — If you have employees, they need to fill out [Form W-4, Employee's Withholding Allowance Certificate](#). This ensures that you withhold the correct federal income tax from their pay.

Each state has additional requirements for starting and operating a business. For information regarding state-level requirements for starting a business, please refer to [your state's Web site](#).

For more information, check out the [Small Business and Self-Employment Tax Center](#) page on [IRS.gov](#). From there, review the special section on [Starting, Operating, or Closing a Business](#). [Publication 583, Starting a Business and Keeping Records](#), may also help new business owners with the tax aspects of running a business. The booklet is also available on [IRS.gov](#) or by calling 800-TAX-FORM (800-829-3676)

NOTE TO EDITOR: Below are links to more information on starting a new business:

Additional Resources:

- [Tax Information for Businesses](#)
- [EIN YouTube Video](#)

- [IRS Video Portal](#) - Video, webinars, audio presentations for small businesses, individuals & tax pros.

On Twitter? Send these Tweets to your customers:

New businesses: Easy to apply for an Employer Identification Number, #EIN online at IRS.gov
<http://go.usa.gov/EvDP> #IRS #taxes

Find out what business records you should keep for your #taxes. <http://go.usa.gov/EvZA> #IRS

Are you self-employed or own a small business? Visit Small Business and Self-Employed #Tax Center on #IRS.gov - <http://go.usa.gov/EvBe>