



Paying Business Taxes

Taxes are inevitable with any business. Determining which taxes you are required to pay is a key step in setting up your business entity. Step one will always begin with the Internal Revenue Service. Follow this paying taxes business guide for step-by-step instructions.

Step 1: Apply for an Employer Identification Number (EIN)

An Employer Identification Number (EIN), also called a Federal Tax Identification Number, identifies a business entity for business tax purposes. You will likely need an EIN to open a business bank account, for identification purposes when applying for state and local licenses, for filing income tax forms and federal payroll/employment tax forms, and for identification purposes when filing electronic returns using the Electronic Federal Tax Filing System (EFTPS).

You can apply for your EIN through the [Internal Revenue Service \(IRS\)](#). The following criteria must be met for eligibility:

- You may apply for an EIN online if your principal business is in the United States or U.S. Territories.
- The person applying online must have a valid Taxpayer Identification Number (SSN, ITIN, EIN).
- You are limited to one EIN per responsible party per day.
 - The “responsible party” is the person who ultimately owns or controls the entity or who exercises ultimate effective control over the entity. Unless the applicant is a government entity, the responsible party must be an individual (i.e., a natural person), not an entity.

[APPLY FOR AN EIN](#)

Step 2: Identify Which Taxes You’ll Pay

The form of business you operate determines what taxes you must pay and how you pay them. It is advisable to consult with a tax lawyer or accountant when deciding on your business structure for this reason.

Federal Taxes

The [IRS](#) identifies five general federal business taxes a business owner can expect to pay.

- **Income Tax** - The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. An employee usually has income tax withheld from his or her pay. If you do not pay your tax through withholding, or do not pay enough tax that way, you might have to pay estimated tax. If you are not required to make estimated tax payments, you may pay any tax due when you file your return.



All businesses except partnerships must file an annual income tax return. Partnerships file an information return. The form you use depends on how your business is organized.

- **Self-Employment Tax** - Self-Employment Tax (SE Tax) is a Social Security and Medicare tax primarily for individuals who work for themselves. Self-employment tax is similar to the Social Security and Medicare taxes withheld from the pay of most wage earners.
- **Employment Tax** - if you have employees, you will need to file forms to report employment taxes. Employment taxes include the following items:
 - Social Security and Medicare taxes
 - Federal income tax withholding
 - Federal Unemployment (FUTA) Tax
- **Excise Taxes** – In addition, there may be excise taxes and federal forms to file if you do any of the following:
 - Manufacture or sell certain products
 - Operate certain kinds of businesses
 - Use various kinds of equipment, facilities, or products
 - Receive payment for certain services

State Taxes

The Florida Department of Revenue (DOR) administers over 30 taxes and fees which are used to fund state and local government services for Floridians. You will have to determine which taxes apply to your business type and activity. A tax accountant or attorney can help you navigate this process.

For most taxes, you must register with DOR before you begin collecting, reporting, or paying state taxes. The Florida Business Tax Application (online or paper [Form DR-1](#)) asks you to answer a series of questions about your business that will help you identify your tax responsibilities and register to collect, report, and pay the following Florida taxes and fees:

- **Sales and Use** - If you will sell, rent, lease, or repair goods, provide certain services, rent, or lease short-term lodging or housekeeping accommodations or commercial real property, or purchase and use in your business taxable products which are not taxed when purchased, you must register with DOR before you start your business.
- **Reemployment** - Reemployment assistance gives partial, temporary income to workers who lose their jobs through no fault of their own and who are able and available to work. Reemployment tax is paid by Florida employers. If your business will employ workers in Florida, you must register with DOR.
- **Corporate Income** - Most corporations and certain entities, that do business or are incorporated in the State of Florida, must file a Florida corporate income tax return, unless the business is exempt.

The DOR provides detailed information about paying these taxes. [Visit the “General Tax” page to learn more.](#)



Local Business Taxes

Business Tax Receipts (BTR) - Businesses (including home-based businesses) with a physical location in an incorporated area of any municipality in Volusia County are required to obtain a city Business Tax Receipt (BTR).

Renewals are annual for each tax year beginning October 1 and ending September 31. First check with the local municipality where your business is located to determine if a city BTR is required in that jurisdiction. A list of those tax offices can be found in the [Licensing Your Business Guide](#).

Businesses located in Unincorporated Volusia County are not required to obtain a BTR.

Tangible Personal Property Tax (TPP) – This Ad Valorem tax is assessed against equipment, fixtures, or furniture used in a business or for a commercial purpose. This includes any leased equipment, furnishings and appliances in a rental property owned by the real property owner. The Florida Department of Revenue (DOR) provides comprehensive information about TPP oversight. [Visit the “Property Tax” page to learn more.](#)