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>> Thank you for joining us and do stay with us. We're going to be sharing some really great information. We have some super experts on our panel. Before we get going, I just want to let everybody know that we do have accommodations for those that are hard of hearing. The information is here on this slide. And my colleagues are pasting the link to the captioning service in the featured feed. So the featured feed you will find it in your upper right-hand corner of your screen. You can click on the speech bubble with the question mark on it. That will open it up. And you will see the link in the featured feed. You can cut and paste it into your browser and that will give you access to our special captioning service.

You can also avail of captions, Teams and different languages within those subtitles and all that information is on this slide. And it's pretty easy to find. I'll

just pause for a minute while people are getting ready. And just to let people know, we have these accommodations.

Again, before we kick off, we are very interested in hearing from you guys in the audience. This business is about starting a business, so we'd like to know among you who is thinking about starting a business or who has already started a business. And my colleagues are pasting these two statements again into the featured feed. You will find it in the upper right-hand corner of your screen. I will do my best to create a little selection of images there for you to see. If you look in the lower left-hand corner of slide you might see what you're supposed to find in the upper right-hand corner of your screen. Click on that. Please like the statement that's most relevant to you. So if you're thinking about starting a business, like that statement, if you've already got one, like the other statement. That will give us a sense of how many people are already established in business or in that important moment of thinking about starting one. So do have a look at that and do "like" a statement for us. Thank you.

And so normally I hand over the reins to our executive director Adriana Cruz but she is held up at an important meeting unfortunately and cannot join us so she's very disappointed and sends her apologies. So normally you would hear from. What she would be telling you today is what a great state Texas is to start and run a business in. I want to remind you all how lucky we are to be here and living and working in Texas. If you're thinking of working a business or already own and run one it is a great state, the best one to do that in. So aren't we lucky.

So Adriana cannot join us. Moving along, we have another set of

statements that our colleagues are pasting into the featured feed. These two are -- I have a business plan or I do not have a business plan. If you like once, it gives us a sense of where you all are on the subject of business planning. So thank you. And again, look at the first two statements. If you haven't already liked one of those, please do. And look at the second set and please like one of those as well. We are very interested in knowing what's going on with our audience. So thank you.

So we'd like to tell you who our panel are today. We have Mary Helen Aldeis, director at the business border center at El Paso. Mary Helen deals a lot with people starting and running businesses in west Texas. Jessica Garcia is the tax compliance specialist at the Texas comptroller of public accounts. Jessica has joined us before. She's a fantastic expert on the issues that you need to think about when you're starting a business or running a business. And we also have our esteemed colleague in the office of governor Sonia Galliard. She's probably one of the busiest people in the office of the governor. She has a huge amount of inquiries about what permits and what you find them and we have Sonia here for an hour to help us out. This is our esteemed panel. I'm going to move along now and start asking some frequently asked questions of our panelists to take care of the main things we think are the most important, the things that people think about and wonder about most.

I'm going to kick off with Mary Helen. Thank you for joining us.
>> Thank you so much, Kelly. It's my pleasure to be with you today. It's nice to share the platform with you. My name is Mary Helen, program director at the women's business center. I wanted to share with the audience that our

women's business border center has been a joint project between the El Paso Chamber of Commerce and the United States Small Business Administration for 20 years now. We're so excited because we are celebrating the 20th year. And I know our audience is located in different parts of Texas. And I wanted to share with the audience that you can definitely access different resources in your respective areas through the Small Business Administration. Just know that we are a part of the nationwide network that hears are available, regardless of your gender, race, or ethnicity. Hispanic chamber has been peer for 30 years and also operating for the MBA business center. Know if use interested in starting a business there's a resource for you at the stage of starting and of expansion. And we can definitely help you get connected to those resources in your area.

I want --

>> Sorry. Go ahead.

>> That's all I wanted to share, Kelly.

>> Excellent. I was going to thank you for such a comprehensive introduction. It's great to know all the things your organization and partner organizations are engaged in. Thank you for the time for that. I'm going to get straight to the questions now. This is one of the most important questions that me and my colleagues get asked every day. When you're starting out, how do you decide whether you should be a sole trader or self-employed or whether you should set up an LLC?

>> I would recommend to any woman that's starting a business, you need to build your small business corner. You need to have key business

professionals in your area, in your corner, so they can help you in different lines. Starting a business, it has so many different factors, so many different elements. As you're trying to develop your product, sell your product, I would say when you're looking to start off a business you have to see how do you protect your liability. That goes also to see part of small business corner would be having access to an attorney or attorney services. They would be able to guide you and let you know and advise you what's the best way to protect liability, my exposure, and not just because you create this entity doesn't mean that you're completely protected. You need do have certain other things in place and that's where your attorney will come in.

I always like to recommend you need to get guidance from an accountant because depending on how your financial situation is, how much money interesting, where did you get the money from, are you encountering or retirement or inheritance, there's a lot of different factors and questions that might come about and so what I would recommend to the audience today is reach out to your resource provider in your area that's affiliate with the SBA, the Texas governor's office, and their small business portal and so you can get connected to these research providers and know that we can connect you to credible referrals that are attorneys or accountants that can help you with this determination of what would be best.

>> Okay. Great advice. Indeed, this is the big question, whether you should be self employed or whether you should set up an LLC. Once you make your decision mace based on good advice, Mary Helen, can you explain the steps that people need to take if they're establishing a self-employed person or

establishing an LLC.

>> Most definitely. Like Kelly mentioned, I'm located in El Paso County. One of our -- if you're a sole proprietorship, get in touch with your local county and city government and once you're registered, for example, if you're a sole proprietorship register with the El Paso County district clerk's office. \$30. Right now they are working by appointment and you have to make sure the name isn't used and it's \$30. Fairly simple. I would recommend for the audience if you're looking to establish a business in Texas go to the Secretary of State website. There's a wonderful tab that will explain to you all the different business structures and if you are going to partner with anyone I would definitely say you need to have something in writing. And again, that's where your attorney will come in. The comptroller -- I mean t Secretary of State doesn't require all of these operating agreement if you file an LLC. Usually around \$300. That's where the attorney will come in. They will draft the paperwork, make sure you have a partnership agreement in place if you're a partnership and everything is outlined and identified in those documents.

>> Okay. And super.

I have one more question for you before I move on, Mary Helen. I guess it's about the most important thing or one of the most important things that an entrepreneur needs to look at and that is the business plan. So I'd like you to tell us how important is a business plan and maybe suggest where people can find templates or examples of formats that they can use.

>> Most definitely. And I always encourage my clients let's put it on paper. Let's really put numbers together. Let's put our strategy on paper. That's

whether the business plan is. It's really identifying and outlining their goals and objectives of your business and now more so we're in a pandemic so we have to make sure that our customers can buy from us, it's accessible, and still it's in compliance with the safety measures. And I would say a business plan, we have templates and that's why I encourage everyone to reach out to their SBA partner in their area because we have template, portals we can connect you to. And more so part of our services is provide recommendations and no one, please, don't make that expense for someone to write a business plan for you. Spanish speakers, we do have our items translated in Spanish so it would be easier for you to put numbers together or put your cost or projection numbers. But I would say definitely reach out to us. We can definitely guide you. But I would say start off on paper what are your product and services. Definitely put some costs together and see how much it's going to take to start this business. Even if you have your own savings, your own retirement and you have money to invest, still do this exercise because definitely it will home you to see if you have enough money to put it to the. I would recommend to the awed y to go to SBA.gov. There's a tab that will provide you examples of business plans, how to put your start-up costs together. It has great information. Also has some great leads for you to market demographic leads. And so we can also help you put that information together to see how your market is doing and I would be happy to take anyone's calls even if they're not in El Paso. Like I mentioned, we are a -- we do provide assistance to anyone nationally or even statewide with other programs that we have under our umbrella. So I would say those are some great recommendations.

>> Okay. And that's great. Thank you so much, Mary Helen.

>> Thank you.

>> And I'm going to move along now and a number of the resources that Mary Helen referred to we have the links to those captured in our last couple of slides. Don't worry about noting names. We have the resources collected in the final slides in the deck that you will have access to after this event.

So moving along now, and I'm going to welcome Jessica Garcia. Thank you so much for joining us again, Jessica.

>> Thank you for inviting me. Yes.

>> I know. I know, so thank you. I'm going to ask you some important questions about taxes, of course. For us, you are one of our main experts so thank you again for making your knowledge available. That first question is, what are the main taxes I need to register for and how do I register? And a secondary part, which is very important, is when and how often do I need to pay these taxes or file information?

>> Okay. That's a great question. We get those questions all the time. So just like we were talking about learning today, depending on how you plan to operate your business will determine your tax responsibilities. As far as sole proprietorships, an individual, you're not going to be subject to franchise tax like maybe an LLC or corporation is. So in taxes, franchise tax means it's a business tax imposed on doing business in Texas, either formed or doing business in Texas, per se. We set you up, once you get the Secretary of State's office for that, Texas taxpayer number. And you will be subject to filing these reports once a year. I tell people you file these regardless if you have

any taxes to record, you still file it to show that you filed for that particular period. But we do mail you information about that and you can always call us and we can tell you all more about that if you have any questions. But it does not mean you're a franchisee. We get that question all the time. The second part -- well, on top -- another type of tax would be of course sales tax. And this is for an entity or individual making sales of taxable items, providing taxable services. We consider you engaged in business in Texas if you're doing that here. And, yes, you need to have a sales tax permit. Depending on what you're doing of course, you know, how you register, we'll tell you in the beginning how you're set up to be filing, like a monthly, quarterly, sometimes even yearly. But we'll tell you all that once we get you set up. Yes, you have to apply for a sales tax permit. Those are two main taxes that come about operating a business here in Texas.

>> Okay. Super. I'll just mention to the audience, we don't have our live Q&A feed open just yet but we will open it shortly and I'll let you know when. In a couple of minutes. I hope you don't mind. We want you to focus on what's we're talking about rye now because this is key stuff, especially over half of our audience is thinking about starting a business. Thank you for liking those statements. Over half of you are thinking about starting a business. Jessica, the second question is if I sell to customers out of state, do I need to return sales tax in Texas on that?

>> So actually no. So this is talking about when you sell to a customer out of state and it's being mailed to them, delivered to them, that's not subject to Texas sales tax because they took possession of the item out of state. You

will not collect any taxes on that but you would report that on the sales tax report as part of your total sales. Just not part of your taxable sales because you didn't collect sales tax on that. One thing we do like to mention is you may need to contact that state to see if you have any obligation but as far as Texas that sell is not subject to sales tax and that's found in our Texas tax code 151.330.

>> Excellent. I'm impressed that you know that number off the top of your head. That's cool. The last question for you right now is how do I manage sales tax for my online sales? Including outside of Texas. And as we know, so many businesses these days are 100% online. Tell us about how they should relate to that.

>> Sure. Sales tax online is pretty much the same thing as selling at a brick and mortar, a physical location. We treat them both the same. So there's not really much of a difference there other than if you're here in Texas and you mail the item to someone here in Texas, even though it was an online order, the delivery charge you charge for that would be subject to, you know, sales tax still. It's all connected to sell the taxable item. The handling and shipping charges are taxable. You can read more up on that on rule 3.303 that talks about that. It doesn't matter if they're in person, as long as it's shipped here in Texas, yeah, subject to Texas sales tax.

>> Great. Jessica shared some links in relation to these questions and we have those on the last couple of slides in this deck as well. So thank you, Jessica.

>> Sure.

>> And I am now going to move on to mention that our live Q&A feed is now being opened. If you look at the featured feed, these are the questions that my colleagues are going to be publishing. Perhaps look there first. Like any questions you want to hear the answer to because we will prioritize the questions with the most likes. And if you have a question that you want to ask, type it away. It may be published or you may get a direct answer. We have two colleagues back and house here answering questions directly. They have a long list of resources and information that can answer a lot of your questions directly. If you do ask one look for a direct answer as well as the featured feed. Do like the questions you want to hear as well. Thank you for that. The live Q&A feed is now open.

As we move along to our final panelist today, our colleague Sonia Galliard. You're so welcome, Sonia.

>> Thank you, Kelly. Welcome, everyone.

>> It's great to have Sonia here. She's one of the busiest people in the office of governor. This first question may be one of the ones she gets most often, Sonia. Tell us, if somebody asks you do I need a general business license in Texas, what do you tell them?

>> Well, first, before I get to that question, allow me to share a little about the business permit office just to level set. So the business permit office, or BPO as I'll reference it here, was created in the 71st legislative session for the core purpose of assisting businesses in navigating taxes, permitting, licensing, and regulatory environment. And also advising and assisting and overcoming any hurdles or challenges that could present themselves during that process. So

how do we do that? My serving as an ombudsman or liaison to help mediate those situations and also to provide resources that I'll get to in a moment that would empower entrepreneurs and business owners in getting the information that they need regarding permits and licensing when you need it.

So now, getting to your question. Do I need a general business license in Texas? The short answer to that is that unlike other states, Texas does not have an overarching general business license. Mary Helen earlier shared with you the different places you could go in order to get your business registered, either the county clerk's office or the Secretary of State's office. That document that you would receive once your business is credentialed, that's what you would use in order to satisfy that business license requirement. So if you're interested in starting a business that involves reselling, so you're going to become a reseller, and more than likely you are going to approach a wholesaler or a distributor in order to secure their products so that you can resell it, then sometimes on their forms they have a line that asks for a general business license number. So again, provide them with the document that you received when you registered. Also, some inquiries that our office received regarding the general business license number, it's sometimes requested when you apply for a federal loan. And again, that's when you would provide them with that business registration information.

>> Okay. Thank you for that. And like I said, we do know that this is one of the most frequently asked questions that we all get. So thank you for that. And now my second question for you, how do I determine what permits or licenses my business needs to operate in Texas?

>> Excellent. So first, earlier I spoke about resources that the BPO provides. So this screen that you're seeing right now is a snapshot of what you will find on the BPO landing page. And you would navigate to that by going to the economic development page and hovering over small business on the navigation bar. And in that navigation bar you will see business permit's office. Once you get to the page, when you scroll a little, you will see this particular shot where the arrow is pointing here. You click on that link and you can use the guide, the Texas Business Licenses and Permits Guide there or you could download it. And the guide is arranged by business type. So if you have cosmetology business, for example, you would go to the guide, go to cosmetology section, and it includes the permitting, licensing, and regulatory items that would be most applicable to your business. Now, the caveat here is that based on the scope and the breadth of your business, not all of the items listed may be applicable. So I ask that you work through that list and if there's some service in that list that your specific company does not provide, then you would skip that item in that list and that particular business type category. Of course, if you need assistance or have a question about it, you can contact our office or contact that agency directly. Now, also, if I could add a little note here as well. If you scroll a little further down on that page you will see a tracker that you could download as well because once you get the permit or the license, then it's a great idea to begin developing the habit of tracking all of your licenses and permits in one spot. So you know what agency you secured it from and you also know when the renewal date is. We get a number of inquiries from individuals who said, hey, I need to change the name of the

owner or change the business name, but I don't remember what agency we got this from, or I need a copy of it and they don't remember where they even applied to get that particular permit. So if you have that document and everything's confined to that one spot, then you will be able to save yourself some headache going forward. That's just my little tip I'll leave you with.

>> Excellent. And thank you. And I will pause here myself and point out that this Texas permits and licensing guide is a fantastic resource. It's a dynamic document, like Sonia said. You can click on the contents for the section that's most pertaining to you, if it's construction or whatever, click on it and you will be brought straight to that section and you can look through for the specific bits that are relevant to your business. So it's a really convenient resource. And we also have a link to the permits page on the -- in the final slides in this deck. And that downloadable form where you can track your permit numbers and the resources that gave you them, it's such an invaluable thing that Sonia has created. I just wanted to mention that and reiterate it. Thank you, Sonia. Thank you, panel.

I'm going to move along now to our live questions and answers stage. I'm going to hand the reins over to my colleague Jarvis Brewer. Over to you, Jarvis.

>> Thank you so much, Kelly. And thank you to our audience and panel for participating in this event. I can see the questions coming in. Continue our audience, please continue to submit more and more questions, the questions I've seen thus far have been great. Also, audience, continue to like the questions that your fellow participant has submitted. That's how we'll prioritize

what questions get asked. That says that a good percentage of our audience wants to hear this question asked and answered. This first question is actually sent to me directly. I'm going to relay it to Jessica Garcia because this is along the lines of taxing. The question was, how can I identify whether my product or service is something that is taxable? For example, if I have a product or service is there somewhere where I can go to to see if this is something that I have to collect sales tax on? Jessica, do you have any insight on that?

>> Yeah, so for that of course I would encourage everyone, look at our website, which is comptroller.texas.gov. And on there we have a sales tax tab. And off that page we have the rules, publications, anything that has to do with sales tax is found on that page. We do talk about taxable services and there are statute which is 151.10101 because there are 17 categories. It may fall in one of those categories. You can do your research there. If you have any questions or still want some more guidance we have an 800 number you can call us at or off our contact page you can submit an e-mail request that way as well. But, yes, our website is the first go-to and we even have videos of webinars if you have a particular topic, you might find something there as well.

>> Wonderful, Jessica. And actually I have a follow up the first question that's been liked quite a bit by our audience. It's somewhat related to tax guidance as well. So the question is, do you have a resource to contact for free or discounted legal and tax guidance? Is there a place where if I have a bunch of questions where I can either talk to someone for legal or just taxing inquiries? What do you know about that, Jessica?

>> As far as question do not give legal advice whatsoever. We can only speak

about the taxability part of it. As far as legal advice, no, we don't get into that.

>> Okay. I do have a resource myself I would like to share. One second. I'm going to pull it up myself. I have to make sure I get this correct. So the lawyer referral service through the Texas Bar is something where you can get some legal assistance. I'm going to get this information to my colleagues so it can be shared either in the feed or at the end of the event but I just wanted to give that out for the legal aspect. However, I do highly recommend for any and everyone who is entering into entrepreneurship to have -- I believe it was Jessica or oh excuse me, Mary Helen mentioned to have those businesspeople, business-minded people in your corner. So maybe taking on the counsel of legal counsel is something you want to have throughout the life of your business.

So moving forward, our next question is, do you have templates for a budget? I'm going to throw this to Kelly who is not normally a panelist but she knows the answer to this but from eagle's nest sanctuary, do you have templates for a budget or for a plan, business plan?

>> Well, we are going to supply many links to templates for business plans. They will probably have components that deal with budgets but SCORE, a national voluntary mentoring, they have budgeting and setting up projections and all of that and also the SBA has two and all of those links are in this deck towards the end. So I won't go into it here but I will tell you we are providing you with links to websites that are fantastic resources on that.

>> Sorry to get you off guard, Kelly. I hoped you would mention SCORE and you did that. Sorry about not giving you a heads up. But I'm also want to go

to Mary Helen to get some follow up for this same question. Mary Helen, do you have any guidance on how I can find templates for a budget?

>> Most definitely. Like I mentioned earlier we're part of the resource partner network. Our Small Business Administration wants to help in three areas of business. The centers that you can access information, templates, tools, forecasts and also direct support. And they also have trainings. And they also have volunteers like Kelly mentioned that volunteer their time, their expertise to the clients and answer those questions. Our operator -- so it's SCORE, small business development centers and women business center network, we're all part of the Small Business Administration research partner network. I would also say connect to your Hispanic chamber in your area. In Texas we have close to 23 minority chambers located in different parts of the state. So I would say connect with them. They might have some members that are accountants and attorneys that might volunteer some time and provide you some guidance as well.

>> Thank you so much, Mary Helen. The last thing I'll add to this question, thank you so much, Mary Helen and Kelly for your explanations thus far, but actually programs, so there are a lot of private company who have created programs that you can, you know, install on your computer and those can have great templates as well as guide you through creating your own budget. That's another option early on. Some are not so great, some are wonderful. But it's all dependent on what is best for you, the individual business owner.

So this next question, I am going to give -- we're going to go back to you, Jessica, it seems to be more of a tax question. Excuse me, no, this is actually

about registration. So the question is, can you speak to reporting frequency obligation between single member LLC versus S Corp LLC. This is a tax question. Jessica, you are the right person. This person is wanting to know what are my reporting differences depending on the structure of my business and, in this case, an LLC versus S Corp? Do you have that information?

>> If you're speaking about franchise tax or sales tax there's no difference. It's still an LLC. You're still going to file the reports on -- for franchise tax May 15th unless we move the due date due to certain circumstances which has happened these -- going on two years. But as far as sales tax, however we set you up, you're still an LLC, set you up either monthly, quarterly, or yearly, there's no difference between an S Corp and LLC.

>> Plain and straight to the point. Thank you so much for that. And it seems to be that we're getting a lot of tax questions so you're going to be very popular, Jessica, throughout this event. This next one is also related to that.

Regarding the quarterly sales tax, am I responsible for paying taxes on sales recorded on an actual accrual or cash received?

>> On that one we have a rule that addresses that, rule 3.302. Basically you decide your accounting method. As long as it's one of the two that we recognize, the two most popular one, cash or accrual basis. That's how you report your tax to us. As long as you keep with that structure, that's fine. We don't need to know your accounting method type, as long as it's one of those two.

>> Okay. Wonderful. Moving right along. This next question is not really one I would identify either of our panelists as being the person for it, so I'm going to

open this up. I'm going to first guide it towards Mary Helen but I think that there's some portions of it to where Sonia and Jessica can speak on it. This question is from Da ne Young. Can you answer formalities about a nonprofit in Texas. What are some steps early on that I need to do?

>> You know, once again, like I mentioned, not for profit is still requires people to manage or what is the mention of the not for profit. You still have to file with the Secretary of State. I would definitely encourage them to get legal guidance as well because you have to establish your by-laws. You have to establish your articles of formation. There are different things you have to have. And you definitely need money to start the not for profit. You definitely need to have somebody that's in the director, oversees it. So in a sense when people do ask me I want to start a not for profit because they want to see if it's better to start not for profit versus for profit business, I tell them to still put it on paper, still do the start-up costs to see what are we doing and what are we trying to accomplish. And of course that's where the business plan will come in, too, where we can outline all goals and objectives on that.

>> Wonderful. Sonia, adding on to that question, is there some kind of licensing or permits requirement to be a quote, unquote, nonprofit or would it be still specific to what the nonprofit actually does?

>> You hit the nail on the head. It depends on what the services and/or products that that organization is going to provide. Nonprofit, for profit, as far as licensing and permitting the concerned, it doesn't matter. So I would advise that individual to consult with the guide, the licensing and permitting guide, by business type specific to either the service or the product and that would give

them a good indication on what's required on the regulatory landscape.

>> Wonderful. Thank you so much. I forgot to mention this earlier, Jessica, you threw out another number a second ago and I'm equally as impressed that you have all of these codes down memorized. Over to you, Jessica, same question. I'm a nonprofit or I want to start a nonprofit, what kind of taxing thing should I look forward to?

>> Well, we don't do anything as far as registering of the nonprofits, however, on our website under our exemption -- I think it's exempt org page we do mention how some nonprofits may qualify for exemption from some of our taxes like franchise tax, sales tax, but just because you're an exempt with the -- say, the IRS or nonprofit registered, doesn't automatically grant you an exemption with our office. That's why you've got to go to our website, apply for it, and based upon all that we can say, yea/nay, you qualified, what you're exempt from. If you go to the website it will give you a general idea of what you are exempt from automatically and we have a search tool that we let people look up to see if they are exempt with us, you know, if anybody wants to find that out they can find that information on their website.

>> Absolutely. So look up exemptions through the Texas comptroller public accounts website. Great. Jessica, I'm going to stick with you again. We're getting a lot of tax-related question. This next question is, if a business owner forgets to submit the franchise tax, the Texas comptroller of public accounts besides of charging a \$50 fine can send the company to collections. Is that true?

>> That is true. Whenever you file a report for late franchise tax, sales tax,

there's always going to be a late fee of \$50 automatically. Now, hey, we understand stuff happens. You know, you forget, you know. Whatever the situation is. You can always request for a waiver that is available to you. Now, I'm not saying you're going to get waived but send us yours in and it will be looked at. We do have a publication that talks about that and gives you the link to click on the form to submit to us. And on the form it tells you how to mail it, e-mail it, or fax it in. And the publication, you can find off our website and it's going to be 89-224 and that's for the waiver for request for filing late.

>> Okay. Okay. If you don't try the answer is always no. So, the next question again, I'm noticing that a lot of these questions are better suited for the Texas Secretary of State's office. I just want to throw out to our audience that is the State agency that oversees all business registrations in the state of Texas. So I believe we do have their contact information at the end of this webinar as well. So that may be a resource to reach out to regarding specific registration questions, Texas Secretary of State's office.

So this next question, I'm going to start with Mary Helen for this. I may actually provide a little more information at the end. But this question, Mary Helen, I currently have an LLC registered with the Secretary of State with a DBA. and tax number. I'm adding a second and maybe a third business. Do I need two more tax IDs or can I run all three under different DBAs? So I'll try to reclarify this question and, Jessica, you may have additional to add to this as well. I've created the LLC through the Texas Secretary of State's office. I have then created a subsidiary or the LLC doing business as a company and I may want to do two more DBAs. Do I need different tax IDs for all three

DBAs? Or in this case, in the LLC and DBAs? Over to you, Mary Helen.

>> I want to say, yes, you do need different tax IDs for the two DBAs. Jessica, you can correct me if I'm wrong. It just depends on the service, like Sonia was mentioning. What are you providing. What are the two other companies going -- doing and what services and products are they selling or providing. Because then you have tax implications to think about, you have other maybe requirements that also are needed. So aside from those registrations I would also say look at it as a whole and really, like Sonia mentioned, depends on the service and prepared for anything that comes your way.

>> Okay. Jessica, do you have anything additional to add to that?

>> One thing I would mention is when you have a limited liability company, of course you can have more than one. That's fine. If that's how your business is going to be structured. But for each entity that's register we'd the Secretary of State's office that means you're going to have a different Texas payer number for each entity. Now, if you take a little further down, say you need a sales tax permit for each LLC, then each LLC -- the sales tax number is going to be attached to that LLC, in other words. But, no, if you have three LLCs you get registered, we're going to assign you three different taxpayer numbers because in our eyes it's three different entities.

>> Wonderful. I want to add my input. I have to put this claimer out there. I am not a tax expert but what I've learned through this role is think of it -- creating a business that's creating a person. In this case the LLC is an individual. You've created. And so that individual is DBA, doing business as so-and-so. So that individual has a tax ID. If you're creating more individuals

you would need to create more taxpayer IDs. But that individual doing business as does not have a separate tax ID for that DBA. But if you were creating more LLCs, absolutely. Again, disclaimer, I'm not a tax professional but that is my recommendations. That LLC DBA, not necessary.

All right. So moving forward, and again, this is -- I'm going to take a pause here for everyone -- to reiterate to everyone to please continue submitting your questions. These are great. What we've gone through thus far. I like to see more questions along these lines. So, all right. Our next question is, what is the difference between a resale certificate and sales tax certificate? What document do we need to complete for a resale certificate when purchasing with the wholesaler? Jessica, obviously tax question. Is there a different between a resale certificate and sales and use tax permit?

>> I guess people call it different things sometimes. We call it a resale certificate. Whenever you are permitted to sell taxable items or provide taxable services, you are able to use our resale certificate which is the form 01-339 and as long as you provide that to your vendor or your retailer and you fill it out properly, which means you've got to have the business name and the address, your business sales tax permit number, the description, signature, and of course the seller's name and address, that vendor will take it and we talk about that in our rule 3.285 which is resale certificates, sales for resale. Tax buyers have to be required for the purpose of selling, leasing, renting, in your regular course of business.

>> Wonderful. Wonderful. Wonderful. I did call it the sales and use tax permit which is completely different.

>> Yeah.

>> So anyways. Moving forward, our next question is actually something that is more suited for the Texas Workforce Commission. The question is, can you speak on hiring employees and employer obligations. That will be something -- Kelly, correct me if I'm wrong, we do have resources for the Texas Workforce Commission. That is our state agency in the state of t that administers all things workforce related. Go ahead.

>> I'll just jump in. That information is not in this slide deck but I know my colleagues back of Hughes, Michael and Kimberly, have Texas Workforce Commission information on the list. And what they can do is track that question down and provide that information directly to the questioner. Okay?

>> Thank you so much, Kelly. That is an important question. Unfortunately we did not have the expert for the TWC on this event but I know our colleagues will answer that questioner directly. Thank you so much.

All right. We're going through these questions very quickly. I'm going to take this opportunity. Actually this is coming from me. And it's something that I am curious about because this topic starting a business in Texas is something that we get nonstop every day all day. And so earlier we were talking about online businesses and, Jessica, you mentioned something about the collecting of sales tax if you're selling to another state. And I think as Kelly mentioned earlier, since a lot of businesses have either pivoted to being 100% or partially online, this is something that's on a lot of people owner's minds. The selling of products or services to people in other states.

So I just want to reclarify, if I have a product and I am physically located in

Texas, and I'm selling to Louisiana, I'm selling to a person in New York, that does not get collected sales tax in Texas but it gets reported as a sale. Could you clarify that once again?

>> Sure. Yes. So, yeah, that sale is not subject to Texas sales tax so you're not going to charge them Texas sales tax but it is still part of your sell. So when you file your report you're going put that amount as part of your total sales because we don't tax you total sales. But it's not part of your taxable sales, which is everything you sold that was taxable goes under taxable sales. That's where you're going to get taxed at. So it's okay if total sales and taxable sales are different because of scenarios like that, or maybe you sold something that wasn't taxable but it's still part of your sales, goes under total sales. We do have on our website information saying, hey, when we tell you might want to look at the multi-stale tax web sites because they have those links to other states. But, no, it's not taxable but still reported as your totals under total sales.

>> Okay. I think that's very important to know that distinction. Now I'm going to ask you, I'm sticking with you, Jessica, tax is popular today. I'm going to ask you kind of same question but in reverse. So we also get contacted from companies that are outside of Texas who are selling to Texas residents. So my business is registered in the state of Oklahoma and I'm selling a good portion of my product to Texas residents. Do I now need to report that and pay sales tax to the state of Texas?

>> So on our website we talk about remote sellers. We even have a page dedicated to remote sellers. Now, when I -- when you mentioned you're out of

state, we still look at, okay, are you actually considered a remote seller in our definition, which is a seller that is selling tangible personal property in Texas and you have maybe no physical presence in this state but all you do is solicit orders through mail or there type of media like Internet to our Texas customers. Then if that's the case you may not have a filing responsibility as long as you meet our safe harbor threshold. And our rule 3.286 goes into this as well as our statute 151.107. Now, a remote seller, no physical presence, has to make less than \$500,000 in total Texas sales. That's including all sales, taxable, nontaxable. And that's during the preceding 12 calendar months. You're not required to have a permit based upon that. However, an out of state company that is engaged in business in Texas and you have representatives, employees, inventory or you go over that threshold, than, yes, you're going to need to have a sales tax permit and that's what's explained in rule 3.286 on top of the website we have a remote sellers web page.

>> This is great. Thank you so much for all that information. That's going to be -- I think it's a little selfish of me to ask that question because I wanted to hear the answer but it's something that we get asked quite often, especially with the -- the pandemic has brought us a lot of people having interest in online sales. So thank you so much for that information.

Moving forward, I have a specific question, again, I'm going to get a little more selfish, questions that I like to hear that I think is very important to our audience as well. Sonia, this next question is for you. I've looked at the guide. And I am in construction as you mentioned earlier. There is a ton of items listed underneath construction. Do I -- because I'm in this

industry -- need to apply for every single one of these licenses and permits or how do I narrow down which ones apply to me?

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>> This response to apply directly to the construction section and all the other sections in the guide as well. Because dependent upon the breadth and the scope of what you're doing on a day to day in your business, you could be a construction company but you could only do three things out of that list. You could provide three services, where another construction company could provide 20 different services. So it all depends on what specific services are being provided. So when you read through that list of items, then if it's not directly applicable to what you're doing in the course of your business, then skip that item and go to the next one. If it's a gray area where you're not exactly sure if it applies, then the number website, it's right there listed by that particular license or permit, and I would ask that you call them just to get clarification because they're the agency that administers that specific license or permit. And as a side note and one thing I wanted to mention earlier, the business permit's office does not administer any permits or licenses. Our core purpose is to help you navigate to all the different state agencies that exist. Now, that's my response to that question. But I wanted to piggyback on something that you and Jessica were just mentioning a couple moments ago about online businesses. One of the things that I get asked a lot for a home-based business, do I need any specific licenses or permits. And there, if you are reselling a product without alter that product at all, then there's no specific permit or license that you would need from the state. Now, if there's some

modification or if there's -- if it's a food-related business, then the cottage law could be something that's applicable so you could contact the Department of state health services to find out if you fall within that bucket. Otherwise, make sure that you check the permits guide to look at the occupation, what product you're selling, service you're providing in order to really understand what permits or license may be applicable for that home based business. Also, last thing, even though I'm focused at the state level, also make sure that you contact your local small business office at your city because there could be a home-based business ordinance. And basically that gives you the dos and don'ts for running a business from your home. In most cases, larger cities would have it on their websites where you could just download it. But if you call them they should be able to send that to you and it's nothing you pay for. Again, it's just a list of dos and don'ts like the amount of machine any you would keep on premises, the amount of traffic or signage even that you would be allowed to have at your home. So those were just a couple of things I wanted to mention about online businesses and home-based businesses.

>> Oh, that is great information. Thank you so much for providing that because that is an important part of the online business aspect we have been asked about as well. Thank you so much for that, Sonia. All right.

Moving right along, we're in the last few minutes of this event. I do have another question I'm going to throw to Mary Helen as well. So Mary Helen, okay. So you're within MBDA. What can an MBDA do to help my business grow? Can you explain your purpose, your organization's purpose and what kind of programs that y'all provide that can help me here in these early stages?

>> Sure. Mentioning the MBDA business center, Hispanic chamber knew very early on our business owners needed direct support services to really understand all what's available for them as being a small minority, women, and veteran-owned business. So they structured our entrepreneurial technical assistance centers that represent the women's center border center and we also operate an MBDA center. Also the agency funded through the Department of Commerce, 50 centers throughout the country. But more so they're also in Texas. And the reason for that is to target minority business to help them expand the business through procurement certifications and also access to capital. Emphasizing about accountant and making sure you know your number because that's what's key to get the capital you need to grow your business to the level you want. And so there's a lot of different opportunities for being a minority woman, a veteran business owner so we can let you know about those opportunities. For the MBDA business center they will help you with the certification, how to market yourself to these agencies. 223 state agencies in Texas. So with that there's different certifications in place so maybe your customer could use these state agencies. Could also be the federal government. I was mentioning about the Small Business Administration, the center, the federal government has capital programs in place for entrepreneurs and also contracting programs. And through our women's business center through women that's interested in starting a business, you never know, you can maybe supply to the federal government and that's exactly what the MBDA business center can assist you with and women's center.

>> Thank you so much, Mary Helen. As she mentioned, although she's in the El Paso area, there are MBDA centers in SBA, SBDC centers all across the state of Texas and the country for that matter. So reach out to your local SBDC. We do have an SBDC locator on the links coming up here in a second. SBDCs can be one of those organizations that is in your corner that Mary Helen spoke about earlier in the event.

So with that, this is going to conclude our live portion of the Q&A. Again, I want to thank our panelists. You did an amazing job. We got through a lot of information. I know that this would, without a doubt, is extremely helpful to our entrepreneurs, our people. As we saw early on, most of the audience is in the stage of thinking about starting a business. So this is great information to rattle in your minds if you're starting a business and getting you on the right foot. Thank you so much for our panelists. Thank you, audience, for submitting great questions and being here today. Without further ado, I'm going to hand it over to my colleague Kelly to close us out. Kelly?

>> Thank you, Jarvis. What a great job. Amazing amount of questions answered and even more questions answered by Kimberly Rodriguez and Michael Trager back of house. Thank you, guys, for all of answers thank you, audience, for the questions and for the interest. So I'm going to conclude now by sharing the final sets of resources that can be useful to you. I'm going to talk about our new governors small business resource portal which is online and on our web pages. The link is right here. And you simply answer five straight forward questions and then this portal will give you a customized set of resources that will be relevant to you. And in fact, among those resources are

a lot of the things we talked about today. And I suggest that you do it.

Absolutely put in the city that you're nearest because then it will customize and localize the information for you.

These are links to office of governor web pages and resources. We have a start of business in Texas web page and guide that we talked about. Excellent resource. Again, all of these links are here. You guys will have access to them after the event. This is access to information from the Texas comptroller, the secretary of state's office where you ledger center an LLC, the finder for the local Small Business Development Center nearest you. They are commonly called the SBDCs. There's a link. The women's business center finder is there. And information about the SBA and SCORE and like lenders are all here. So all useful information for people starting a business.

This last slide is about business planning, which we didn't really get into detail here because it is such a detailed thing and it is such a customized thing to your business and where you want to take that business. But these are general links to templates and formats and just a few tips on key content to put into that business plan. Keep it short. Keep it sharp and powerful and all about what you want to do and why your business is going to be great. Okay.

So thank you, everybody, for making time for joining us today. There's contact information also in these slides if you want to reach out to any of us. And I want to thank you for making an hour to stay with us and engage with us. Thank you so much. And do look out for our next webinar event which will be in the middle of June. And with without further ado, I'm going to close this event and say thank you very much and have a great day and have a great

weekend.