



CHECKLIST

1 BUSINESS PLAN

- Draft a business plan

2 LOCATION

- Choose a location, draft a detailed floor plan

3 ZONING AND PERMITTING

- Visit the Building Commissioner at City Hall
- File Form of Intent and submit with floor plan, certified plot plan and filing fee (\$15)
- Receive detailed Zoning Determination from Building Commissioner;
Proceed according to instructions in Zoning Determination
- Set up inspection and receive Certificate of Inspection (\$40 filing fee)
- Contact the Fire Prevention Bureau to determine if additional permits are needed
- If building or renovating:* Submit floor plan; Receive building permit

4 LICENSING

- File with the Fitchburg Board of License Commissioners to operate a livery service in Fitchburg; pay \$200 fee
The Massachusetts Registry of Motor Vehicles handles all livery licensing issues. You
- will need a federal tax identification number (see Step 8 below) before you can register your vehicles
- Acquire livery plates for each vehicle
If the vehicle has a capacity of nine passengers or more, file an application for authority to transport passengers for hire from the Transportation Division,
- Massachusetts Department of Telecommunications and Energy (\$100 fee)
To operate a livery vehicle at Boston's Logan Airport, take the following steps:
- Obtain a letter from a city official (on official letterhead) stating that the city has no objections to your operation and has no special requirements on livery service
- Be insured for at least \$250,000 for bodily injury per person, \$500,000 bodily injury per accident, and \$100,000 in property damage
Acquire a Certificate of Insurance with:
 - A broker's stamp
 - An authorized signature
 - The name of the certificate holder
- Submit this certificate to Massport's Ground Transportation Division;
If you will be regularly transporting passengers across state lines:
- Receive authorization from the Motor Carrier Board of the Federal Highway Administration

5 BUSINESS CERTIFICATE

- Visit the Fitchburg City Clerk's Office
- File for a City of Fitchburg business certificate (DBA) and get form notarized (only if company will be a sole proprietorship or general partnership)
- Submit notarized form with a check or money order in the amount of the filing fee

6 TAXES

- Visit the Fitchburg City Assessor to file a Form of List

7 INTERNAL REVENUE SERVICE

- Call the Internal Revenue Service office in Worcester to schedule an appointment

- File federal tax forms for your business
- Get a federal tax identification number

8

MASSACHUSETTS DEPARTMENT OF REVENUE

- Contact the Massachusetts Department of Revenue
- File Massachusetts state tax forms for your business
- Get a Sales Tax Registration Number and Certificate

9

INSURANCE

- Do a risk assessment and inventory of your business's facility and property
- Visit the Building Commissioner, if necessary, for advice



DETAILED STEPS

1 BUSINESS PLAN

Draft a business plan. Business plans are part of a continuous process to define your business concept, understand your market, set goals and effectively meet client needs. Typically, plans encompass operational issues including, but not limited to, the following:

- What services and products will your business provide and what needs do these fulfill?
- Who is your target market and how will you reach them?
- How will your company secure and repay financing?

This guide contains instructions for sole proprietors only. Hiring other individuals requires that you take further steps and complicates your tax filing. For more information, visit the **Massachusetts Department of Economic Development** website.

<http://www.mass.gov/dbt>

Or, contact the **Central Massachusetts Regional Small Business Development Center** for a detailed business plan guide with a sample business plan:

*Clark University SBDC
950 Main Street
Worcester, MA 01610
508-793-7615
<http://www.clarku.edu/offices/sbdc>*

Note: Operating a livery service is different from operating a taxi service. Establishing a taxi service requires completing a separate process.

TIP: This guide concerns the regulations and licensing requirements for starting a sole proprietorship with no employees. If planning on hiring employees, please consult Appendix II, “Navigating the Regulations to Become an Employer”

2 LOCATION

Choose a location for your business and draft a detailed floor plan for submission to the **City of Fitchburg Building Commissioner** along with the **Form of Intent**. The floor plan must show how the business or use is going to be set up within the principal structure.

3 ZONING AND PERMITTING

Visit the **Building Commissioner** at **City Hall**.

*Building Commissioner
Fitchburg City Hall
166 Boulder Drive
Fitchburg MA 01420
978-829-1880*

File a **Form of Intent**. Along with the Form of Intent you must submit a floor plan that shows

how the business or use is going to be set up within the principal structure, a certified plot plan showing adequate off street parking and setbacks to property lines, and the \$30.00 filing fee. Be prepared to provide an explanation about your business and intentions.

The **Building Commissioner** will review your application and write a **Zoning Determination** that will outline step-by-step what you need to do to proceed with your business. Follow the steps in the Zoning Determination.

Contact the **Fire Prevention Bureau** located at the **Fitchburg Fire Department** to determine whether additional permits or fire prevention systems are needed.

Fire Headquarters
33 North Street
Fitchburg MA 01420
978-345-9672

4 LICENSING

Visit the **City Clerk's Office** at City Hall to file for a **City of Fitchburg Taxi/Livery Service Application for New License & Renewal**. There is a \$200 fee to process the application.

The **Massachusetts Registry of Motor Vehicles** handles all livery licensing issues. The **Registry of Motor Vehicles** requires that all livery drivers in Massachusetts be licensed to drive the particular vehicle that they operate. The vehicle must be a legal one in which to transport passengers. Individual businesses and employers, as well as cities and towns outside of Boston, may have additional requirements for drivers.

Upon receiving your federal tax ID number (see Step 8), you may register your livery vehicles with the **Registry of Motor Vehicles**.

- You must acquire livery plates for each vehicle that you intend to use to carry passengers.
- You will pay a minimum of \$80 dollars for each vehicle. If a vehicle has seven or fewer passenger seats, the additional fee per seat is \$6. If the vehicle has more than seven seats, it will cost you \$8 per seat in addition to the \$80 minimum fee. For up-to-date rate information on passenger vehicle plates, see the Registry of Motor Vehicles website:
<http://www.state.ma.us/rmv/fees/index.htm#multipass>

4a. *Livery Capacity Rules*. A designated livery vehicle is permitted to have a capacity no greater than 15 passengers. There are different rules pertaining to vehicles that are legally considered buses.

To check on the status of your vehicle, call the Registry of Motor Vehicles at 617-351-4500.

If a vehicle has a capacity of nine passengers or more, then you must file an application for authority to transport passengers for hire from the **Transportation Division, Massachusetts Department of Telecommunications and Energy**. A printable copy of this application form can be found at the Transportation Division website.

<http://www.state.ma.us/dpu/transportation/propasap.pdf>

Mail the completed form along with a check or money order for the \$100 application fee to the Transportation Division.

Transportation Division
One South Station
Boston, MA 02110

4b. To operate a livery vehicle at Logan Airport, **Massport** requires that you obtain a letter from a City official (on official letterhead) stating that the city has no objections to your operation and has no special requirements on livery service. To obtain permission to operate on Massport premises, contact the **Massport Ground Transportation Unit (GTU)** at 617-561-1775 for a Massport Ground Transportation operating agreement. The agreement calls for proof of insurance, operating authority, a list of fleet vehicles, and "other pertinent information." The application fee is \$75. Massport requires livery companies to be insured for:

- At least \$250,000 for bodily injury per person
- At least \$500,000 bodily injury per accident
- At least \$100,000 in property damage.

Your Certificate of Insurance must show:

- A broker's stamp
- An authorized signature
- The name of the certificate holder.

If you are required to carry Worker's Compensation coverage for employees, then you must do so prior to operating at Massport. However, sole proprietors are not usually required to carry Worker's Compensation and must sign a form to notify Massport of this status. The form comes in the Ground Transportation Operating Agreement.

"Upon signature and approval of your agreement, you can commence operations at Logan, using curb areas as specified by the GTU. Your company would then be billed monthly \$1.50 per trip in accordance with the agreement. Massport only regulates shuttle carriers as to their operation at Logan."

See the Massport website for more information: <http://www.massport.com/logan/faq.html>
Massport will issue an approval permit, which you must affix in/on your vehicle so that it may easily be seen by police and Massport officials. Massport further requires that each car have working air conditioning during the summer, a clean luggage compartment, and have any seatbelts installed during the car's manufacture in working order. Be sure to request a copy of:

740 CMR 23.00 – Rules and Regulations for the Operation of Commercial Ground Transportation Services at Boston-Logan International Airport.

4c. If you will be regularly transporting passengers across state lines, you will need authorization from the **Motor Carrier Board** of the **Federal Highway Administration**. The regional office is located in Cambridge.

*Motor Carrier Board
Federal Highway Administration
55 Broadway, 10th Floor
Cambridge, MA 02142-1093
617-494-3657*

5 BUSINESS CERTIFICATE

You must complete a zoning check before a business certificate will be issued (see section 3).

Prior to opening your business, you must file with the **Fitchburg City Clerk's Office** for a **Doing Business As (DBA) Certificate**.

*City Clerk
Fitchburg City Hall
166 Boulder Drive
Fitchburg MA 01420
978-829-1820*

5a. After filling out the application, have it notarized. Return the completed and notarized form to the Fitchburg City Clerk's office.

Tip: Open a business account with your local bank or credit union. If you are not using your social security number for your business, be sure to get your Tax ID# before opening a business bank account. A separate business account spares you the hassle of untangling personal and business transactions when you file taxes, decreases the likelihood of a missed deduction, and facilitates transparent recordkeeping in the event of an audit. Business accounts also increase credibility with potential lenders and clients and accommodate business growth. If possible get a debit card with your account to help you with back up record keeping.

6 TAXES

Visit the **Fitchburg City Assessor** to file a Form of List. A Form of List is used to document the property owned by your business, so that it may be assessed and taxed by the city. Once you file a Form of List with the City Assessor, a time will be arranged to visit your place of business and assess it for city taxes. The office is open from 8:30am-4:30pm, Monday through Friday.

*City Assessor
Fitchburg City Hall
166 Boulder Drive
Fitchburg, MA 01420
978-829-1860*

7 INTERNAL REVENUE SERVICE

You must also file all necessary tax forms with the **United States Internal Revenue Service**. Once you file these forms, the IRS will give you a tax identification number and provide instructions on compliance with federal regulations.

Typically, along with a basic Form 1040, you must file a *Schedule SE* form (15.3% Soc Security/Medicare Rate for Self-Employed filers) and a Federal *Schedule C* form (Taxed Profit or Loss from Business).

An introductory guide and access to all applicable forms are available through the IRS website:

<http://www.irs.gov/businesses/small/article/0,,id=115043,00.html>

*Internal Revenue Service
120 Front Street
Worcester, MA 01608
508-793-8227
<http://www.irs.gov>*

8 MASSACHUSETTS DEPARTMENT OF REVENUE

You must also file tax forms with the **Massachusetts Department of Revenue (DOR)**. As a

sole proprietor, you are most likely required to file two forms with the Massachusetts Department of Revenue:

- **Form 1** – Massachusetts Resident Income Tax Return (or Form 1 NR/PY for Non-Residents or Part-Year Residents)
- **Schedule C** – Profit or Loss from Business or Profession (self-employed)

A comprehensive guide to small business taxes, as well as online access to all applicable forms, can be found at the website:

<http://www.dor.state.ma.us/business/taxguide/toc.htm>

For additional information, or to obtain the forms by mail, contact the Customer Service Bureau:

*Customer Service Bureau
Massachusetts Department of Revenue
200 Arlington Street
Chelsea, MA 02150
617-887-MDOR (6367)
800-392-6089
www.mass.gov/dor*

In addition to the Schedule C, if you plan to sell tangible goods, you must obtain Form ST-1 to register to pay Massachusetts state sales tax. Currently, the rate is five percent of taxable items sold.

Complete a *WebFile* for Business application at the DOR website, and in turn you will receive a Sales and Use Tax Registration Certificate (Form ST-1) to be displayed at your place of business.

For a clear and comprehensive introductory information pertaining to sales tax, refer to “A Guide to Sales and Use Tax” available in PDF file through the website:

http://www.dor.state.ma.us/publ/pdfs/sls_use.pdf

8a. Call the DOR’s Customer Service Office at 617-887-MDOR (6367) or toll free at 1-800-6089 to request the forms by mail. Forms and filing instructions are available on the DOR website; however, it is still recommended that you speak to a DOR representative to ensure you are in full compliance with the law:

<http://www.dor.state.ma.us/forms/formlist.htm>

8b. After you have completed the forms, either file online, or mail the printed forms. Once you file Form TA-1, you will receive your Massachusetts Sales Tax Registration Number. You must also file tax forms with the **Massachusetts Department of Revenue (DOR)**. Most sole proprietors file a Schedule C form with their income taxes. If you plan to sell tangible goods, you must file a Form TA-1 to pay Massachusetts’ sales tax.

9 INSURANCE

Do a thorough risk assessment and determine what coverage best suits your business’s needs. Commercial vehicle insurance is required on all vehicles used for the business. Visit the **Building Commissioner** to have answered any questions you may have.

9a. Most forms of insurance are not required. However, business insurance protects you and your business in the event of fire, theft, or other losses. The most common coverage types include liability, property, business interruption, “key man,” automobile, and home office.

9b. If you get insurance, it is recommended that you assess and inventory your business facility and assets every two years. This will ensure replacement costs are up to date, enable you to settle claims faster, and help you explain business losses on your tax returns.
