



How to Start a Business in Minnesota Checklist

1. Form your business.

1.1. Review formation options in Minnesota.

There are six main types of business entities in Minnesota. Choose the one that suits your business best.

1.2. Name your business.

After checking to see that your name does not exist, register your business name with the Minnesota Secretary of State.

1.3. Get an Employer Identification Number.

Apply for an Employer Identification Number at the IRS.

1.4. Register your business in Minnesota.

Sole proprietorships and general partnerships do not need to file with the state. All other business structures must file online.

1.5. Obtain necessary permits and licenses.

Check the Minnesota e-licensing portal to see if your business requires any special licenses/permits. If you do, apply for them online.

2. Register your business for taxes.

2.1. Register for a Minnesota state tax ID number.

This ensures that you can file tax returns with the Minnesota Department of Revenue.

2.2. Register for sales and use Tax.

If you sell, buy, lease, or rent taxable goods and services in Minnesota, you need to register for sales and use Tax.

2.3. Register for withholding tax.

All businesses with employees need to register for income tax.

2.4. Register for Corporation Franchise Tax (CFT).

CFT taxes apply to C-Corporations that earn a gross income in Minnesota.

3. Hire employees and report them to the state.

3.1. Go to the Minnesota New Hire Reporting Center.

Report all new and returning employees online.

3.2. Obtain workers' compensation insurance.

Employers with one or more employees are required to carry workers' compensation insurance.

3.3. Display mandatory posters in your place of business.

There are five mandatory labor law posters in Minnesota, which you can obtain from the Department of Labor and Industry.