

Incorporating IN WASHINGTON, DC

If you are an international company looking to establish a business in Washington, DC, there are a number of steps you will need to follow to comply with federal and district laws:

STEP 1: CHOOSE A BUSINESS ENTITY TYPE

The first step in incorporating in Washington, DC is to choose a business type. The most common types of business entities in Washington, DC are:

- Limited Liability Company (LLC): A hybrid entity that provides the protection from legal responsibility of a corporation with the tax benefits of a partnership.
- Corporation: A legal entity owned by shareholders.
- General Partnership: A business owned by two or more people who share profits and losses.
- Limited Partnership: A business with general partners, who manage the business, and limited partners, who do not.

Additionally, if you are registered outside of DC, but conducting business in the District of Columbia, you are required to submit a Foreign Registration Statement to the Department of Licensing and Consumer Protection (DLCP).

STEP 2: APPOINT A REGISTERED AGENT

All businesses in Washington, DC must appoint a registered agent, who is responsible for receiving legal and tax documents on behalf of the company. The registered agent must have a physical address in Washington, DC.

STEP 3: FORM/REGISTER YOUR ENTITY

To form your entity, the next step is to file articles with the Department of Licensing and Consumer Protection (DLCP). The articles should include the company's name, purpose, the names and addresses of the beneficial owners and incorporators/organizers, and the registered agent's name and address. Foreign entities wishing to conduct business in DC should file a Foreign Registration Statement with the DLCP.

STEP 4: CONSIDER REGISTERING A TRADE NAME

A trade name is not required to conduct business in the District. However, if a business operates under a name different from its registered full name, including any suffix, for marketing or branding purposes, it must register that name as a trade name or "doing business as."

STEP 5: OBTAIN NECESSARY LICENSES AND PERMITS

Depending on the nature of your business, you may need to obtain licenses and permits to operate in the US and Washington, DC. Among others this requires an Occupation Permit and a Basic Business License. The Department of Licensing and Consumer Protection (DLCP) provides a list of licenses and permits required for various types of businesses.

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STEP 6: COMPLY WITH EMPLOYMENT LAWS

If you plan to hire employees in Washington, DC, you will need to comply with federal and DC employment laws, including withholding employee taxes, potential healthcare requirements and other employee benefits, full time employee (FTE) vs contractor (1099) designation and compliance, and Visa requirements. This includes verifying that employees are authorized to work in the US, complying with wage and hour laws, and providing workers' compensation insurance. For more information about employment law in Washington, DC check out the DC Department of Employment Services (DOES) website.

The US federal government requires foreign workers to obtain appropriate Visa's prior to working in the US. A list of Visa types, requirements, and application procedures can be found on the US Department of Labor website.

STEP 7: REGISTER FOR FEDERAL AND DISTRICT TAXES

All businesses operating in Washington, DC are required to register for US and District taxes, including sales tax and use tax, withholding taxes/making estimated tax payments throughout the year, and to file tax returns on a regular and timely basis. This includes obtaining an Employer Identification Number (EIN) from the Internal Revenue Service (IRS) for federal taxes and registering with the DC Office of Tax and Revenue (OTR) for local taxes.

STEP 8: OBTAIN APPROPRIATE BUSINESS INSURANCE COVERAGE

For-profit businesses are required to carry business insurance in DC. Check out the District of Columbia Department of Insurance, Securities & Banking (DISB) website for details.

STEP 9: OPEN A BUSINESS BANK ACCOUNT

You will need to open a business bank account to manage your company's finances. This will involve providing documentation such as your Articles of Incorporation, EIN, and other legal documents.

STEP 10: FINANCIAL RECORD KEEPING AND ONGOING COMPLIANCE

You must maintain accurate ledgers, business statements, human resource documentation and other related documents and information. For instance, DC requires biennial reporting to the Department of Licensing and Consumer Protection (DLCP) using CorpOnline. Reporting and compliance information is available on each relevant agency's website.

It is important to consult with legal and financial professionals to ensure that you comply with all the requirements and regulations for incorporating in Washington, DC.

RESOURCES

Department of Licensing and Consumer Protection (DLCP)

DLCP.DC.gov

Department of Employment Services (DOES)

DOES.DC.gov

Office of Tax & Revenue (OTR)

OTR.CFO.DC.gov

Department of Insurance, Securities, and Banking (DISB)

DISB.DC.gov

Department of Labor (DOL)

DOL.gov

Internal Revenue Service (IRS)

IRS.gov



ABOUT WDCEP

The Washington DC Economic Partnership (WDCEP) is a non-profit, public-private organization whose core purpose is to actively position, promote, and support economic development and business opportunities in Washington, DC.

Learn more at wdcep.com or engage with us on social media @WDCEP.