

# Regulatory Matters

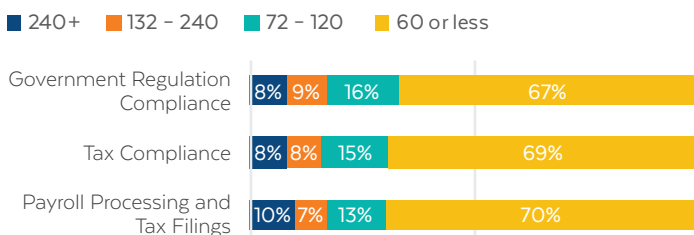
Stay up-to-date on regulatory topics in your industry to maintain appropriate permits and licenses.

## Why does understanding business laws and licensing matter?

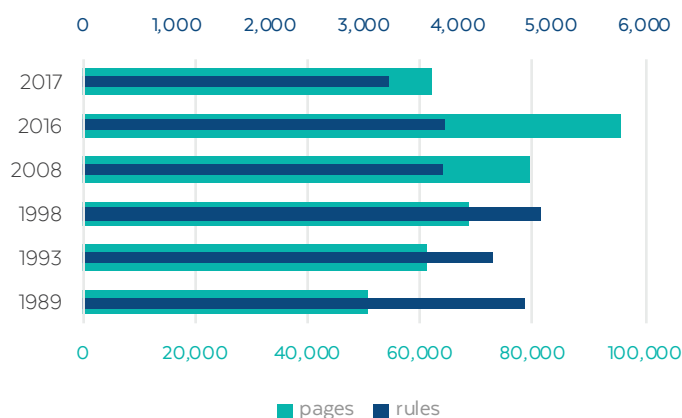
Most businesses fall within the purview of some regulatory or licensing requirement — from simple local business operating permits to more complex licenses. To operate a business legally, owners need to ensure they follow the laws that regulate their industry and obtain the appropriate licenses and permits. Non-compliance with federal, state or local permitting obligations could bring hefty penalties, including fines or orders to cease operation until regulatory issues are resolved.

### Hours spent annually on government regulation and tax compliance<sup>1</sup>

% of businesses:



### Number of pages and rules in Federal Register<sup>2</sup>



## Key actions to take:

Avoid the distractions of compliance missteps by getting ahead of licensing, permitting and regulatory requirements.

- Review appropriate regulations and laws for your business:** Different industries require different permitting. Federally-regulated businesses dealing in agriculture, alcoholic beverages, transportation and firearms require federal permitting or licensing for the business to operate, making a review of the requirements with the government agency that oversees your industry imperative. Understanding the broader laws that regulate your business — such as advertising and marketing rules, employment and labor laws, workplace safety requirements and in some cases, environmental laws — also keep you in compliance. Your CPA, attorney or business advisor can help you sort through the applicable regulations for your business.
- Think locally:** Don't stop at federal permitting. Licensing requirements vary by state and locality. At a minimum, most local governments require a basic business operating permit to conduct business within their area, and there are typically state and/or local professional licenses required for businesses ranging from architects to cosmetology instructors to funeral establishments and business types in between. For example, in North Carolina alone, there are over 700 different regulatory, state-issued and occupational licenses and permits.<sup>3</sup>

You may also need a fire department permit for your facility; a health department permit if you plan to sell food (retail or wholesale); an air and water pollution control permit if you are manufacturing and may release gas, emissions or possibly sewage into the air or water systems; and even a sign permit according to your locality's rules and regulations.

- **Keep up with taxes:** Keeping up with changes in tax law is required to operate your business legally. Remember to determine whether your business requires an Employer Identification Number (EIN) for federal tax registration and whether you will need to register for state and/or local sales/usage tax permits or employment withholding and unemployment tax identification numbers. (If you need help with these filings, talk to your CPA.)
- **Manage and maintain licensing and permitting:** Obtaining all appropriate permits, licenses and registrations is not enough; you also need to keep documentation current. Set reminders for renewal dates and maintain your business documentation throughout the year so you aren't surprised with last-minute tasks. Display your licenses and permits conspicuously as required by law. Keep an eye out for permit requirement changes throughout the year, particularly if you expand or change your business product set, which may require additional licensing or permitting.

**Click below for additional resources:**

[Learn about Business Laws](#)

Research laws that will affect your business on the SBA website.

[Research Permits and Licenses](#)

Use the Small Business Association (SBA) website to learn more about federal and local licenses and permits necessary for your business.

**How can SunTrust help you?**

- Drop by your SunTrust branch
- Call us at 800.752.2515
- Visit [suntrust.com/bizbestpractices](https://suntrust.com/bizbestpractices)

<sup>1</sup> SunTrust conducted research with 532 small business owners ranging from \$100,000 to \$2,000,000 in annual revenue during the first quarter of 2018.

<sup>2</sup> *Trump Regulations: Federal Register Page Count Lowest In Quarter Century*, Competitive Enterprise Institute, December 29, 2017.

<sup>3</sup> Economic Development Partnership of North Carolina, accessed on 9/10/2018 at <https://edpnc.com/start-or-grow-a-business/start-a-business/license-permits>.

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