



The Kentucky Business Guide

A Handbook for Starting and Licensing
a Business in Kentucky

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Cabinet for Economic Development

Introduction

The Kentucky Business Guide has been developed by the Kentucky Cabinet for Economic Development to help direct you through the maze of business start-up questions. It contains information on the basic federal, state and local licensing and tax requirements for a new business. Also included is contact information for a number of government agencies that can provide additional information or assistance.

Please let us know if you have any questions or comments about the information in this Guide.

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KENTUCKY BUSINESS GUIDE

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Where to Go For Help in Starting Your Business

One of the first steps in starting a new business is adequate research and planning. Listed below are several resources to help you get started in the right direction. The Kentucky Cabinet for Economic Development's Small Business Services Division can help you find the right resources to start and grow your business. For assistance please call us at (800) 626-2250 or visit www.thinkkentucky.com/sbsd. In addition, our Entrepreneur Resource Navigator (ERN), www.thinkkentucky.com/smbd/ern/ernmain.aspx, can help you identify organizations serving your particular area.

The Kentucky Small Business Development Center (KSBDC) is a statewide network that provides counseling and training in the areas of small business management and technical assistance. Examples of assistance include business planning, marketing, and assistance in obtaining financing. For additional information about the KSBDC, call (888) 475-7232 or go to www.ksbdc.org.

SCORE is an organization of volunteer business executives and professionals that provides business counseling and training to entrepreneurs. To learn more about this organization and locate the office nearest to you, call (502) 582-5976 or go to www.score-kentucky.org.

The Business Plan

Developing a sound business plan is an extremely important component of the business start-up process. A good business plan allows you to look at your business objectively and see where the strengths and weaknesses are before opening. A business plan is a key part of any financial documentation package that you submit for a business loan. The Small Business Services Division has sample business plans for specific types of businesses. To learn more about business plans, go to www.thinkkentucky.com/SMBD/BusinessPlanOutline.aspx or call (800) 626-2250.

Business Licensing, Permitting, and Registration

Once the decision has been made to start a business, there are several basic questions that need to be addressed. The Cabinet's Business Information Clearinghouse web page at www.thinkkentucky.com/BIC provides information on eight key business start-up topics. Each of these topics is also summarized on the following pages.

1. Special Licenses or Permits for Certain Types of Businesses

Kentucky doesn't have a general business license that applies to all businesses, but there are over 400 different licenses and permits at the state level for specific types of business activities. This doesn't include federal or local licenses your business may need. A good place to start when determining your licensing requirements is the Business Information Clearinghouse's permits and licenses database at www.thinkkentucky.com/BIC/license.aspx. This online database allows you to search for state licenses that apply to certain types of businesses. It also provides links to federal (www.thinkkentucky.com/BIC/federal.aspx) and local (www.thinkkentucky.com/BIC/local.aspx) licensing resources. For additional assistance in determining your business licensing requirements, call the Business Information Clearinghouse at (800) 626-2250. Please note: the Business Information Clearinghouse does not issue any business licenses, but we can help direct you through the business licensing and permitting process.

If you will be constructing a new building or performing substantial renovations to an existing building prior to opening your business, you should ensure that all work is done in accordance with state building codes. You may need to contact the Department of Housing, Buildings and Construction, Division of Building Code Enforcement, at www.dhbc.ky.gov/bce or via phone at (502) 573-0373. The Division of Fire Prevention, www.dhbc.ky.gov/fp, phone (502) 573-0382, handles electrical, boiler, and elevator inspections.

Your business may also be subject to local zoning regulations. Contact your local planning and zoning office, city clerk, or county clerk to determine if there are any local restrictions on where you can establish your business. If you intend to operate a business out of your house, it is strongly recommended that you check with your local city/county government to determine if there are any zoning regulations that would impact your plans.

2. Choose a Legal Business Structure

One of the first decisions to make when starting a business is choosing the most appropriate business structure. There are four primary options from which to choose: sole proprietorship, partnership, corporation and limited liability company. The choice of business structure can be changed if your business needs and conditions change.

There are two key questions to consider when determining the legal structure for a business:

- Liability – are the personal assets of the business owner (house, automobile, etc.) potentially at risk if the business is sued?
- Taxes – is there a legal business structure that gives me a potential advantage from a tax standpoint?

The answers to the questions above can vary, depending on the legal structure that you choose. You may want to consult a lawyer to learn more about business liability issues, while an accountant or tax professional should be able to provide insight on business taxes.

Listed below is a summary of the four basic business structures. Additional information can be found at www.sba.gov/smallbusinessplanner/start/choosestructure/index.html, <http://www.irs.gov/newsroom/article/0,,id=183918,00.html>, or <http://sos.ky.gov/business/filings/entities.htm>.

Overview of Sole Proprietorship Business Structure

A sole proprietorship is generally considered the simplest form of business organization. The business has no existence apart from the owner. The liabilities of the business (such as taxes, loan payments, etc) are the owner's personal responsibility. In addition, personal assets of the owner may be exposed to risks associated with operating a business.

While sole proprietorships can have employees, many entrepreneurs start their small business as a sole proprietorship because they don't intend to hire any employees initially. In addition, the limited amount of paperwork to establish a sole proprietorship is appealing. Many individuals, however, overlook the personal liability aspect of this form of ownership. The liability risk factor of personal assets (such as your home, personal vehicles, etc.) should be seriously considered when evaluating whether a sole proprietorship is the best form of ownership for your business. Other forms of business ownership (such as corporation or limited liability company) can be considered, even for a one person business.

Overview of Partnership Business Structure

General Partnership

A general partnership is the relationship existing between two or more persons who join together to carry on a trade or business with each person contributing money, property, labor, or skill, and each expecting to share in the profits and losses of the business. Any number of persons may join in a partnership.

You and each of your partners are personally liable for all business debts and, to a point, liable for certain acts of your partners. Each partner can incur debts, sign contracts, and make business obligations. It is best to consult an attorney when drawing up your partnership agreement so that each partner clearly understands from the beginning the rights and obligations each partner has to the business.

A limited liability partnership is a special type of general partnership. As the name implies, this type of partnership provides some stronger liability protection for the partners with respect to the actions of the other partners.

Limited Partnership

A limited partnership has one or more general partners responsible for managing the business and liable for the total debts incurred. This type of partnership also includes one or more limited partners who are liable only to the extent of their investment. Again, it is best to consult an attorney when forming a limited partnership so that rights and obligations are clearly defined in the partnership agreement.

A limited liability limited partnership is a special type of limited partnership. This type of partnership generally provides greater liability protection for the general partners of a limited partnership.

Overview of Corporation Business Structure

A corporation is typically considered the most complex form of business structure. A corporation has a separate legal status apart from its owners. A corporation issues stock and is owned by its stockholder(s), but is not necessarily managed by a stockholder.

A corporation is liable for its own debts and taxes, and is generally free to retain or distribute its income. The stockholders and company officials are almost always protected from personal loss, other than their investments in company stock, if the company is sued or goes out of business.

An S corporation is a special type of corporation limited to smaller businesses. It provides some potential tax advantages over the C corporation designation. S corporation status is essentially a tax designation. Eligibility requirements can be found under the "Who May Elect" heading at www.irs.gov/pub/irs-pdf/i2553.pdf. Additional information on S corporations is available from the Internal Revenue Service at www.irs.gov/businesses/small/article/0,,id=98263,00.html, including Form 2553, Election by a Small Business Corporation.

In Kentucky, a corporation can consist of one or more owners. You don't have to employ others to consider establishing a corporation. In other words, a corporation is a valid form of business ownership for a one person business.

Overview of Limited Liability Company Business Structure

A limited liability company (LLC) is a business structure that combines the limited liability advantages of a corporation while providing some flexibility in how you choose to be taxed. Similar to a corporation, the LLC separates the owners (members) personal liability from the obligations of the business. IRS Publication 3402, available at www.irs.gov/pub/irs-pdf/p3402.pdf, provides information on federal LLC tax issues. An LLC can be established by one or more individuals or business entities referred to as "members".

Filing Your Business Name

The cost to file your business name can vary depending on your business structure and where you operate. Sole proprietorships and general partnerships operating under their real name aren't required to register their business name with the Secretary of State, but may encounter fees on the local level. Business filing fees for corporations, LLC's, and certain partnerships that are required to register with the Secretary of State's office can be found at <http://sos.ky.gov/business/filings/fees>.

Name Availability

If you intend to operate a business as a corporation, partnership, or limited liability company, you can check to see if your desired business name is available prior to registration.

You may request a preliminary name availability check by contacting the Secretary of State's office at (502) 564-2848, or by going to <http://apps.sos.ky.gov/business/obdb/nameavail.aspx>. The preliminary name check is not required; it is not binding on the Secretary of State and does not give a business the right to use the name. By law, a name must be “distinguishable” from one already on file with the Secretary of State. The name cannot legally be used until officially accepted by the Secretary of State.

Depending on how your business is structured, there are certain required components of a legal business name. Refer to <http://apps.sos.ky.gov/business/obdb/guidelines.aspx> for more specific business name information.

For further information on name availability in Kentucky, please contact the Secretary of State’s Office at <http://sos.ky.gov/contact.htm> or call (502) 564-2848.

Where to File

The type of business structure you choose for your business will determine if and where you need to file your business name and legal status registration. In general, the forms discussed in this section that are required by the Secretary of State's office are available at <http://sos.ky.gov/forms>. Contact information for county clerk's offices can be found at <http://elect.ky.gov/countyclerks.htm>. Specific filing instructions for each legal business status can be found online at www.thinkkentucky.com/BIC/structure.aspx.

Reservation of Business Name

Corporations, limited partnerships, limited liability partnerships, and limited liability companies may apply to reserve a business name for up to 120 days by filing an Application for Reservation or Renewal of Reserved Name (ARN) with the Secretary of State's office. A business name can be temporarily reserved if you are not ready to submit the official paperwork and you don’t want to take the chance that someone else will request the name you want before you have a chance to officially file.

Assumed Name

Any corporation, partnership, limited liability company, or business trust that will be conducting business under a name other than its “real name” must file a Certificate of Assumed Name with the Secretary of State and a copy with the appropriate county clerk. Refer to <http://lrc.ky.gov/KRS/365-00/015.PDF> for more information about real names and assumed name filing requirements.

Sole Proprietorship Business Filing

A sole proprietorship operating a business under the real name of the owner does not have to file with either the Secretary of State or the county clerk. If the sole proprietorship is operated under an assumed name (any name that doesn’t include the owner's real name), a Certificate of Assumed Name must be filed with the county clerk where the person is deemed a resident.

Domestic General Partnership or Limited Liability Partnership Business Filing

If you operate a domestic (established under the laws of the Commonwealth of Kentucky) general partnership under its real name, no registration of the business name is required in the Commonwealth of Kentucky. A limited liability partnership (LLP) is a special type of general partnership. LLP's are required to file a [Statement of Qualification](#) with the Secretary of State.

Domestic Limited Partnership or Limited Liability Limited Partnership Business Filing

If you operate a domestic (established under the laws of the Commonwealth of Kentucky) limited partnership or limited liability limited partnership, you are required to submit a [Certificate of Limited Partnership](#) along with one exact or conformed copy (may be a photocopy) to the Secretary of State's office.

Domestic Business Corporation, Professional Service Corporation, or Non-profit Corporation Business Filing

To operate a domestic (established under the laws of the Commonwealth of Kentucky) corporation, you must either file Articles of Incorporation online via the [FastTrack Business Registration Portal](#) or submit paper-based Articles of Incorporation. To establish a domestic business corporation, file [Articles of Incorporation, Profit Corporation \(PAI\)](#), including two exact or conformed copies (may be photocopy) with the Secretary of State's office. To establish a domestic professional service corporation, file [Articles of Incorporation, Professional Service Corporation \(KPS\)](#). A non-profit corporation must file [Articles of Incorporation, Non-profit Corporation \(NAI\)](#). Two file-stamped copies of the Articles of Incorporation will be returned to the corporation as evidence of filing. One file-stamped copy must then be filed with the [county clerk](#) of the county in which the corporation's registered office is situated.

Domestic Limited Liability Company, Professional Limited Liability Company, or Non-profit Limited Liability Company Business Filing

To operate a domestic (established under the laws of the Commonwealth of Kentucky) limited liability company (LLC), you must either file Articles of Organization online via the [FastTrack Business Registration Portal](#) or submit paper-based Articles of Organization. To establish a domestic LLC, file [Articles of Organization \(KLC\)](#) along with two exact or conformed copies (may be photocopy) with the Secretary of State's office. To establish a domestic professional limited liability company, file [Articles of Organization/Professional Limited Liability Company \(PLC\)](#). A non-profit limited liability company must file [Articles of Organization/Non-profit LLC \(NLC\)](#). Two file-stamped copies will be returned to the limited liability company as evidence of filing. One file-stamped copy must then be filed with the [county clerk](#) of the county in which the limited liability company's registered office is situated.

Procedures for a Non-profit Organization

A nonprofit organization is one whose income or profit is not distributed to its members, directors, or officers. All of the income from the corporation's activities must be used only for the nonprofit activities of the organization. If the corporation intends to apply for tax-exempt status, they should contact the Internal Revenue Service prior to filing Articles of Incorporation or Articles of Organization with the Secretary of State. In such cases the Internal Revenue Service may require that certain information be set out in the Articles of Incorporation or Articles of Organization. IRS Publication 557, Tax-Exempt Status for Your Organization, provides additional information and is available at www.irs.gov/pub/irs-pdf/p557.pdf. Once you receive your non-profit tax status from the Internal Revenue Service, you must apply to the Kentucky Department of Revenue, www.revenue.ky.gov, for a purchase exemption number. You must include a copy of the Internal Revenue Service letter stating that you qualify for non-profit status.

Foreign Business Entity Filing

Businesses established under the laws of a state or country other than the Commonwealth of Kentucky are considered foreign business entities. Information on registering a foreign business entity to conduct business in Kentucky can be found at www.thinkkentucky.com/BIC/foreign.aspx.

3. Obtain a Federal Tax ID Number and Understand Your Federal Tax Obligations

Many businesses are required to obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS). The EIN is a federal tax identification number for your business. Some sole proprietorships with no employees can use the owner's social security number as the federal tax number for the business. If, however, the business owner would prefer not to disclose his/her social security number in certain business transactions, an EIN number can be obtained from the IRS. For most other business types, an EIN is mandatory.

To obtain your EIN number immediately, apply online (available for most businesses) or call the IRS at (800) 829-4933. If you call, it is highly recommended that you first review the IRS Form SS-4 at www.irs.gov/pub/irs-pdf/fss4.pdf and the Form SS-4 Instructions at www.irs.gov/pub/irs-pdf/iss4.pdf, so you will be prepared to answer the questions that the IRS will ask about your business. Additional information on obtaining an EIN can be found at www.irs.gov/businesses/small/article/0,,id=98350,00.html.

In addition to obtaining an EIN, it is important for business owners to understand their federal tax obligations. The Internal Revenue Service (IRS) has online resources to help you in this area. Links to a number of useful websites can be found at www.thinkkentucky.com/BIC/fedtax.aspx. You may also want to consult with an accountant or tax professional regarding your business taxes.

4. Register with the KY Dept of Revenue and Understand Your State Tax Obligations

The Kentucky Department of Revenue collects and monitors a variety of state taxes for the Commonwealth of Kentucky. Listed below is a summary of the state taxes that they oversee. This information should not be considered a substitute for the advice of an experienced accountant or tax professional.

For many businesses in Kentucky, the state tax process begins by completing a Kentucky Tax Registration Application, which is available online at <http://revenue.ky.gov/business/register.htm>. This multi-use document, also known as [Form 10A100](#), allows a business owner to apply for or update the following state tax accounts:

- [Employer's Withholding Tax](#) – applies to businesses with employees.
- [Sales & Use Tax](#) – applies to businesses operating as a retailer or seller in Kentucky, as defined in [KRS 139.010](#).
- [Consumer Use Tax](#) – applies to businesses that make out-of-state purchases of tangible personal property for storage, use or consumption in Kentucky when at least 6% state sales tax was not paid to the seller at the time of purchase.
- [Corporation Income Tax](#)
- [Limited Liability Pass-Through Entity Tax](#) – applies to a pass-through entity (such as C-corporation, S-corporation, limited liability company, limited partnership, limited liability partnership) that affords any of its partners, members, shareholders, or owners, through function of the laws of Kentucky or laws recognized by Kentucky, protection from general liability for actions of the entity.
- [Transient Room Tax](#) – applies to any business regularly engaged in the rental of suites, rooms, or cabins such as motor courts, motels, hotels, inns, tourist camps or similar accommodations businesses (excludes campgrounds as well as businesses that regularly rent rooms with kitchens in apartment buildings that are typically rented for periods greater than 30 days.)
- Motor Vehicle Tire Fee
- Coal Severance and Processing Tax

Some sole proprietorships that don't have any employees and that are involved in certain service type businesses (where sales and use taxes or other special taxes don't apply) are still subject to business income taxes, but may not be required to complete a Kentucky Tax Registration Application. [Contact the Kentucky Department of Revenue](#) at (502) 564-3306 for information on state tax obligations and registration requirements, or review their website at <http://revenue.ky.gov/business>.

Listed below are other state taxes that may apply to your business. Most of these require that you file a special application/registration with the Department of Revenue.

- [Tobacco Tax](#) – applies to wholesalers, subjobbers, transporters, and other acquirers of tobacco products.
- [Motor Fuels Tax](#) – applies to businesses regularly engaged in the business of refining, producing, distilling, manufacturing, blending, compounding, bulk distribution, importing, exporting, and accepting gasoline, liquefied petroleum gas, or special fuels (all other combustible gases and liquids capable of being used in motor vehicles.)
- [Telecommunications Tax](#) – applies to cable service and communication service businesses, as defined by [KRS 136.602](#).
- [Bank Franchise Tax](#)
- [Insurance Premiums Tax](#)
- [Utility Gross Receipts License Tax](#) – applies to utility service providers, including broadcast satellite and wireless cable.
- [Property Tax](#)
- [Motor Vehicle Usage Tax](#)

5. Obtain a Local Business License and Register for Local Taxes

Many cities and counties require a local business license and/or impose an occupational tax or other type of tax on individuals and firms conducting business within their jurisdiction. To learn about your requirements in this area, begin by contacting the city/county government where your principal place of business in Kentucky will be located. You should also check with each city/county government where you intend to transact business or have a business presence. For example, if a construction firm intends to establish a principal office in county A, but plans to do work in county A and county B, the construction firm should begin by contacting county A regarding business registration requirements, and they should then contact county B to see if registration is required in that county. Local city/county government business licensing contact information can be found at www.thinkkentucky.com/BIC/local.aspx.

6. If You Hire Employees, Determine Your Responsibilities

As your business grows, you may need to hire employees. Another option is to establish a contract with another company or individual (independent contractor) to perform certain tasks for you.

Employee or Independent Contractor

An important first step is to determine whether someone doing work for you is an employee or an independent contractor, because the answer has tax as well as other implications. The IRS has additional information on this topic at www.irs.gov/businesses/small/article/0,,id=99921,00.html. In addition, the IRS will determine for you whether a worker is an employee or independent contractor if you submit Form SS-8, which can be found at www.irs.gov/pub/irs-pdf/fss8.pdf.

Employment Eligibility Verification

If you hire employees, you must have the employee fill out an Employment Eligibility Verification Form (I-9), which is available online at <http://www.uscis.gov/i-9>. The I-9 form is used to provide proof that people you hire are U.S. citizens or legal aliens authorized to work in the United States. Employers must verify the information provided by new employees. Refer to the Handbook for Employers at www.uscis.gov/files/nativedocuments/m-274.pdf for more information on employer I-9 responsibilities. Additional employee eligibility verification information is available from the U.S. Citizenship and Immigration Services by calling (800) 357-2099.

New Hire Reporting

Federal and state law requires employers to provide basic information on new hires or anyone that is rehired or returns to work after a separation of employment of 30 days or more. This information is used to identify individuals that may owe child support or recipients of unemployment compensation who fail to report earnings. Additional information is available from the Kentucky New Hire Reporting Center at <http://newhire-reporting.com/KY-Newhire/default.aspx> or by calling (800) 817-2262.

Federal and State Employee-related Taxes

Employers have tax obligations to the Internal Revenue Service and the Kentucky Department of Revenue. The IRS provides guidance on federal employment taxes at <http://www.irs.gov/businesses/small/article/0,,id=172179,00.html>. Federal employer tax obligations include social security/Medicare taxes, unemployment taxes and federal income tax withholding from employee pay.

Kentucky employers are required to withhold state income taxes from employees. To start this process, complete a Kentucky Tax Registration Application available at <http://revenue.ky.gov/business/register.htm>. Additional state withholding tax information can be obtained at <http://revenue.ky.gov/business/whtax.htm> or by calling the Department of Revenue at (502) 564-7287.

State Unemployment Insurance

Employers in the state must register with the Office of Employment and Training (OET) to establish a state unemployment insurance account. For-profit businesses must pay state unemployment insurance taxes for any calendar quarter in which they have at least one worker performing service in each of 20 weeks out of a calendar year or in which they pay \$1,500 or more in wages or salaries to covered individuals. The total taxable wages annually for a business are the first \$8,000 of each employee's wages.

The tax rate for an individual business is assigned by the Kentucky Office of Employment and Training. A new business pays at a rate of at least 2.7 percent of taxable wages during its first three years of operation to establish its state unemployment insurance account. Thereafter, the rate for a business is based on its employment and layoff history and the state tax tables then in effect. When an existing business is sold, the new owner(s) usually assumes the unemployment insurance tax liability and tax rate of the previous owner.

A good overview of employer obligations can be found in the Unemployment Insurance Employer Guide at www.oet.ky.gov/des/ui/EmployerGuide2008.pdf. Additional information can be found on OET's unemployment insurance web page at www.oet.ky.gov/des/ui/ui.htm or by calling (502) 564-2272.

Workers' Compensation

Any employer in Kentucky (except for certain exclusions) with one or more employees must provide Workers' Compensation insurance coverage for employees. Kentucky does not sponsor a state-run insurance program. Therefore, it is the employers' responsibility to secure the insurance from a private insurance carrier or self-insure. You can obtain additional information from your insurance agent, from Kentucky Employers Mutual Insurance at <https://www.kemi.com/index.aspx>, the Kentucky Department of Workers' Claims website at

<http://labor.ky.gov/workersclaims/>, or by calling (502) 564-5550, extension 4423. The Kentucky Department of Workers' Claims also publishes a Guidebook to Workers Compensation which is available at www.labor.ky.gov/NR/rdonlyres/898398BF-A5A0-4E80-8E09-371A56ED0699/0/2008RevisionstotheDWCGuidebookperreorgforweb.pdf.

Mandatory Posters

Kentucky employers are required to display certain posters in a conspicuous location at the place of business. Required state posters can be downloaded from the Kentucky Labor Cabinet at www.labor.ky.gov under the "Mandatory Posters" heading on the right. The unemployment insurance mandatory poster is available online at www.oet.ky.gov/des/pubs/ui/ui_ben5_1_0108.pdf. Additional required posters can be obtained from the Kentucky Commission on Human Rights at www.kchr.ky.gov/reports/posters.htm.

The U.S. Department of Labor provides information on federal poster requirements at www.dol.gov/compliance/topics/posters.htm. Additional helpful websites include the poster advisor site at www.dol.gov/elaws/posters.htm and the poster matrix site at www.dol.gov/osbp/sbrefa/poster/matrix.htm. You can also contact the U.S. Department of Labor at (866) 487-2365.

Occupational Safety & Health

Employers should be aware of occupational safety and health regulations that may impact their business. This includes issues such as noise levels in the workplace, exposure to hazardous or toxic chemicals, job-related injury/illness recordkeeping and reporting requirements, etc. Visit the Kentucky Labor Cabinet's Office of Occupational Safety & Health website at www.labor.ky.gov/ows/osh/ or call them at (502) 564-3070 for additional information.

Employers Engaged in Construction Work or the Severing, Preparation, or Transportation of Minerals

Employers involved in construction work or mineral severance, preparation, or transportation in Kentucky that haven't been doing business in the state for at least five consecutive years are required to post a performance bond with the Kentucky Department of Labor as per Kentucky Revised Statute 337.200, www.lrc.ky.gov/KRS/337-00/200.PDF.

Americans With Disabilities Act

The Americans With Disabilities Act (ADA) impacts virtually every business in the areas of employment practices and business accessibility to the public. ADA is a federal anti-discrimination law for individuals who are disabled. The definition of "disabled" applies to individuals with a physical or mental impairment that greatly limits one or more major life activities (such as self care, seeing, walking, hearing, speaking, learning, etc.)

The U.S. Department of Justice has a toll free ADA Specialist hotline at (800) 514-0301. More information is available at www.ada.gov/business.htm. Two additional sources of information are the Equal Employment Opportunity Commission, www.eeoc.gov/eeoc/publications/adahandbook.cfm, and the Office of the Kentucky ADA Coordinator, <http://ada.ky.gov>.

7. Environmental Permitting and Regulations

Even the smallest of businesses may need to obtain an environmental permit or license. If your business will use or produce any chemicals or materials that could be considered hazardous or have a significant impact on the environment (such as high volume water usage or discharge, emission of potential air pollutants, etc.), the Kentucky Energy and Environment Cabinet's Division of Compliance Assistance offers help in the area of environmental compliance and permitting. It is strongly recommended that you become familiar with environmental obligations before starting your business. Proper planning can

greatly minimize or eliminate future problems in this area. Additional information is available at www.dca.ky.gov/complianceassistance or by calling (800) 926-8111.

Environmental areas of concern consist of air pollution, water quality and availability, and solid/hazardous waste issues. The Division for Air Quality, <http://air.ky.gov>, regulates air contaminant sources. Air contaminant, air contaminant source, and other important terms are defined in KRS 224.01-010 at www.lrc.ky.gov/KRS/224-01/010.PDF. For businesses operating in Jefferson County, refer also to the Louisville Metro Air Pollution Control District permits page at www.louisvilleky.gov/APCD/EE/Permits.htm.

The Division of Water, <http://water.ky.gov>, regulates sewage/waste discharge into Kentucky waters, withdrawal of water exceeding 10,000 gallons per day from surface, spring, or groundwater sources, construction and physical disturbance activities along streams or wild rivers, and other water related activities.

The Division of Waste Management, <http://waste.ky.gov>, regulates businesses involved with solid or hazardous waste products. If your business creates, uses, stores, transports, or disposes of solid or hazardous wastes in significant amounts, a permit from the Division of Waste Management will likely be required.

8. Other Business Regulations and Ordinances

In addition to any special licenses or permits that your business may need, it is important that you understand the government regulations and ordinances that impact your type of business, but that don't necessarily require a license or permit. For example, suppose you open a new business and want to put a sign in front of your building. In many localities, there are restrictions on the type of sign, size of sign, etc. that you can erect. Not being aware of such regulations can be costly to your business.

There are several ways to learn about regulations and ordinances that can impact your business. The advice of an attorney or other knowledgeable professional may prove useful. In many cases, you can also research and review the applicable regulations yourself. Information on federal government regulations can be found in the Code of Federal Regulations at www.gpoaccess.gov/cfr/index.html. Commonwealth of Kentucky regulations can be found in the Kentucky Revised Statutes at www.lrc.ky.gov/statrev/frontpg.htm and the companion Kentucky Administrative Regulations at www.lrc.ky.gov/kar/frntpage.htm. Each of these online resources is searchable by keyword. Local city or county ordinances can sometimes be found on the city or county government's website, or contact a local government official for additional information.

Many business and industry organizations/associations (such as chambers of commerce) seek to educate and advocate on behalf of their members regarding government regulations that impact business. Industry specific trade associations are another resource that often provides training and networking opportunities for the businesses they serve. You may want to search the internet or contact your local library to learn more about the resources available to help your business.

Summary

The focus of this Guide has been to provide an overview of how to start a business in Kentucky. Once your business is up and operating, the Kentucky Cabinet for Economic Development is committed to helping your business continue to grow. Please visit us at www.thinkkentucky.com or call (800) 626-2250 to learn more about the programs and services that we offer.