

# Business tax Laws

In the same way that you need to familiarize yourself with tax laws in your personal life, there are specific tax laws for business. It's important to understand these laws and consult with professionals so you can try to avoid audits and hefty fees.

When you start a business, one of the first things you need to do is register your business with the IRS. The IRS tracks businesses through an Employer Identification Number (EIN), so you need to apply for one. You also need an EIN to open a business bank account, apply for business licenses, and register with a payroll service, among other things. You can apply for free at IRS.gov.

Of course, the IRS oversees all of the taxes you'll encounter, including:

## Income tax

All businesses must file an annual income tax return unless you are a partnership (then you file an informational return). Learn more about different business structures and how they affect your taxes.

## Employment tax

If your business has employees, you must pay all taxes associated with employing them. These taxes include Social Security and Medicare taxes and Federal unemployment (FUTA) tax. Employers are also responsible for withholding federal income tax from their employee's wages. Other taxes may apply.

## Excise tax

Excise tax comes into play when you manufacture or sell specific products, operate certain kinds of businesses (such as businesses with trucks and/or tractors), use various kinds of equipment, facilities, or products, and/or receive payment for certain services. Common U.S. excise taxes include taxes on gasoline and tobacco, but indoor tanning providers are also subject to excise taxes. Check with your accountant to see if your business is subject to any.