State Requirements for Business and Tax Registration for Immigrants

Starting a business is one way immigrants can pursue their careers and earn an income without needing work authorization.

One of your first steps in starting a business is to determine whether you will need a Social Security Number (SSN), an Individual Tax Identification Number (ITIN), or an Employer Identification Number (EIN) to (1) register your business, and (2) register for state taxes.

This Guide will help you learn more about your state’s requirements for:

- Business registration requirements;
- Business tax requirements for Federal and State taxes; and
- How to register for business taxes in your State based on the type of business structure you want to use.

For Business Registration: In all 50 states and the District of Columbia, individuals with an SSN or ITIN can legally register a business as an LLC (Limited Liability Corporation), corporation, or partnership. No states require individuals to legally register sole proprietorships.

For State Tax Registration: Most states require individuals and corporations to pay state taxes on business income. Most states accept an SSN, ITIN, or EIN to register for state business taxes. A few, however, require an SSN to register for state business taxes. **NOTE:** To get an EIN, you must have an SSN or an ITIN.

Use this guide to check state tax registration requirements based on the type of business entity you want to create.

**IMPORTANT DISCLAIMERS:**

- This information is based on outreach to each state’s business and tax agencies from April to July 2023 and is subject to change. For up-to-date information on requirements, please check with the appropriate state agency.
- If you are considering creating a business entity, we advise that you seek guidance from an immigration attorney regarding any potential immigration consequences.
- This information does not constitute legal advice. Consult with an attorney for legal advice.
Business Registration Requirements

In all U.S. states:

- **Legal Structure:** Individuals with an SSN or ITIN can:
  - (1) legally register a business (i.e., LLC, corporation, partnership) in any state; or
  - (2) operate as a sole proprietor without registering their business

- **Federal Taxes:** All sole proprietors and businesses must pay taxes on business income to the federal government through the U.S. Internal Revenue Service (IRS) with an SSN, ITIN, or EIN. Note: To get an EIN, you must have an SSN or an ITIN.

- **State Taxes:** Most states, including Colorado, require individuals and corporations to pay state taxes on business income.
  - Note: Most states accept an SSN, ITIN, or EIN to register for state business taxes. A select few, however, require SSNs to register for state business taxes. It is unknown whether the state of Colorado requires SSNs to register for state business taxes.