

Small Contractor Guide



Set Up Your Business

Create a plan that determines what type or range of contractor services you will provide.

businessportal.sfgov.org/start/create-a-plan

Choose a business structure. LLCs, Corporations, and Limited Partnerships must register their structure with CA Secretary of State before registering locally.

businessportal.sfgov.org/start/choose-a-structure

Apply for an Employer Identification Number (EIN), also known as a Federal Tax ID Number from the IRS. This is used to identify your business and allows you to hire employees. If you are a sole proprietor without employees, you may choose to use your Social Security Number instead.

Register your business with the City through the Office of the Treasurer and Tax Collector (TTX).

businessportal.sfgov.org/start/register-your-business

☐ **NOTE** You may choose to obtain a separate business address, or you may use your personal address for your registration.

Choose and file a business name. File a Fictitious Business Name (FBN) Statement at the SF Office of the County Clerk if you will be using a name other than your given name, the names of your partners, or the officially registered name of your LLC or corporation. Research the name's availability in your county before filing.

businessportal.sfgov.org/start/choose-a-name



Construction Services

Obtain a General Building Contractor License through the CA Department of Consumer Affairs, Contractors State Licensing Board (CLSB). This is required for anyone doing construction in California. www.cslb.ca.gov

☐ **NOTE** For projects where the combined value of labor, materials, and all other costs on one or more contracts is less than \$500, you do not need a General Contractor's license.

☐ **NOTE** Most specialized work requires an additional license. Apply for any additional classifications you may need from the CSLB. (Eg. Cabinet, Millwork and Finish Carpentry, Ceramic and Mosaic Tile, or Framing and Rough Carpentry.)

Purchase workers' compensation insurance through an agent or broker. California employers are required by law to have workers' compensation insurance, even if they have only one employee. insurance.ca.gov

☐ **NOTE** If you are a roofer and don't have any employees, you are still required to carry workers' compensation insurance.

Adopt workplace safety measures that comply with Occupational Safety and Health Administration (OSHA) requirements. These include providing a workplace free of hazards, training employees to do their jobs safely, notifying government administrators about serious workplace accidents, and keeping detailed safety records. osha.gov

Obtain the tools you need. General and specialized tools vary depending upon the type of services you provide, so decide which tools you need, and whether you should rent or buy.



After Opening

Solicit work. There are a number of ways to seek out work, including using the web, word-of-mouth, advertising, partnerships, etc.

Negotiate compensation & payment plan prior to signing a contract. Consider taking a class or seeking other advice on contracts.

Ensure all building permits are in order. As a contractor, you are ultimately responsible for advising the person or company that hired you. You may not begin working without proof that all required permits are approved.

Dispose of construction and demolition debris properly. These materials must be removed from a project and properly recycled or reused. sfenvironment.org/zero-waste

Prepare and pay your local, state, and federal taxes. Learn more from these departments:

sftreasurer.org

sfassessor.org

ftb.ca.gov

irs.gov



To speak with a business counselor
visit the Office of Small Business

City Hall, Room 110

1 Dr. Carlton B. Goodlett Place

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(415) 554-6134