

QUICK START GUIDE

BUSINESS QUESTIONS? NJBAC HAS ANSWERS!

AUTO BODY REPAIR

The New Jersey Auto-Body Repair Facility Act, N.J.S.A. 39:13-1 et seq., requires that no person may operate an auto-body repair facility unless it is so licensed by the Motor Vehicle Commission.

STARTING A BUSINESS

- **The first step in starting a business** is writing a well-considered, comprehensive business plan. Although not required it is highly recommended that this be your first step. There are resources to provide technical assistance to entrepreneurs to guide them in the writing process. The New Jersey Small Business Development Centers have regional offices that cover every county in New Jersey and provide Free (taxpayer supported) assistance to entrepreneurs: www.njsbdc.com. Other organizations that provide technical assistance:
 - SCORE: Click the link and enter SCORE in the find box: <https://www.sba.gov/local-assistance/find/>
 - Women's Center for Entrepreneurship (Northern New Jersey): <http://www.wccnj.org/>
 - LAEDA (Southern New Jersey): <http://www.laeda.com/>

STATE AND FEDERAL REQUIREMENTS

- The Jersey Motor Vehicle Commission will issue licenses based on the work to be performed including full service, auto body limited and auto body new dealer sublet. To receive a license, you must be age 18 or older, have the legal capacity to contract and be liable for all debt incurred, exhibit character and responsibility, and have no criminal record. In addition:
 - Each application must also be accompanied by proof of a certificate of occupancy, along with written approval by the municipal clerk or zoning officer confirming that the location, establishment and maintenance was approved.
 - If there are multiple locations for an auto body repair facility, you will need to submit separate applications for each place of business. A heavy duty vehicle endorsement is required for all licensed auto body repair facilities repairing vehicles weighing 14,000 pounds (GVWR) or more.
 - To review a complete list of mandated requirements to qualify for an Auto-Body Repair License, visit the Motor Vehicle Commission at:
<https://www.state.nj.us/mvcbiz/BusinessServices/AutoBodyRepair.htm>
- **New Jersey Division of Revenue & Enterprise Services (DORES)** — If you choose to form a limited liability company (LLC) a corporation (Inc.), a Professional Corporation (PC), you must record that new entity with DORES. This is not required for Sole Proprietorships or General Partnerships.
 - DORES: www.nj.gov/treasury/revenue/gettingregistered.shtml
- **Tax Registration** — All businesses (including proprietorships and partnerships) must register for Tax purposes with DORES. Every business that has employees, more than a single owner, or is organized as a corporation must obtain a Federal Employer Identification Number (EIN), commonly referred to as a Federal Tax ID#, from the Internal Revenue Service (IRS).
 - DORES: www.nj.gov/treasury/revenue/gettingregistered.shtml
 - IRS: www.irs.gov
- **Taxpayer Workshops** — The Treasury Department's "Taxation University" offers a workshop series to assist small businesses learn more about their state tax obligations.
 - Small Business Workshops: www.nj.gov/treasury/taxation/smallbus.shtml

STATE AND FEDERAL REQUIREMENTS (continued)

- **Trade Names, Alternate (Fictitious) Business Names, Doing Business As (DBA)** — Businesses may operate using a name other than their legal name, if that name has been properly registered. Sole Proprietorships and General Partnerships must register a “Tradename” in each of the County Clerk’s Offices in the Counties where they wish to conduct business. LLCs, Corporations, and other legal entities may register an Alternate Name with DORES. Fictitious names for foreign entities (companies formed outside of New Jersey) are sometimes referred to as a DBA.
 - County Clerks Offices: www.nj.gov/state/archives/catcounty.html
 - Registering a Fictitious Name: www.njportal.com/dor/businessamendments
- **Sales & Use Tax** — Businesses may be required to collect sales tax during a qualified transaction and submit those proceeds to the Division of Taxation. You may also qualify for a Resale Certificate that can be used when purchasing items for resale.
 - Sales & Use Tax: www.state.nj.us/treasury/taxation/su_over.shtml
 - Small Business Workshop: www.state.nj.us/treasury/taxation/pdf/other_forms/sales/st3.pdf
- **Employers** — Businesses with employees have obligations of which management should be aware. Wage and Hour Compliance--the New Jersey Department of Labor and Workforce development’s office of Wage and Hour Compliance has requirements for wages, working hours, earned sick leave and other regulations that employers must follow. All employees must be covered by Worker’s Compensation. In addition, any stockholder (owner) of a corporation that works in the business, even if compensation is deferred, must also be covered by Worker’s Comp. This does not apply to the members (owners) of LLCs. See your business insurance agent for information on state approved workers compensation policies.
 - Division of Wage and Compliance: www.nj.gov/labor/wagehour/wagehour_index.html
 - Workman’s Compensation: https://www.nj.gov/labor/wc/wc_index.html

LOCAL REQUIREMENTS

- **Zoning Requirements** — Every municipality (City, Township, Borough, etc.) has a Land Use/Zoning Ordinance which regulates the kinds of business activities that are permitted within a designated zone and places restrictions on building on land parcels including building setbacks, building heights, signage, and various other aspects of the land usage. When evaluating a location for your business you should consult with the Zoning Officer to determine the suitability of the site for your purposes and what obligations you will have, including possible Planning/Zoning board approvals.
- **Building Permits** — Construction covered under the New Jersey Uniform Construction Code will require a Construction Permit and inspections to ensure that all construction conforms to the relevant construction codes. In many cases architectural plans prepared by a licensed Architect may be required when making an application for Construction Permit. Business owners should be diligent in preparing a budget for construction costs that includes the necessary professional costs and permit fees.
 - Permit Applications: www.nj.gov/dca/divisions/codes/resources/constructionpermitforms.html
- **Mercantile Licenses** — Many towns require certain businesses to obtain Mercantile or other local business licenses. Check with the Municipal Clerk’s Office to determine your obligation under the Municipal Ordinances.
- **Prior Approvals** — It is vital that due diligence is used in evaluating any location for a business. Some locations may require additional “prior approvals” before permits or zoning approvals can be obtained due to environmental or other land use concerns. You may require professional assistance in evaluating a site.

Although great lengths are made to keep these guides as accurate as possible they are provided for information purposes and specific details about your business may require additional or more specialized assistance. You are encouraged to consult with an attorney and accountant for legal and tax advice.