



Building a Business under Leviathan: Nevada

by Cameron Belt





BUILDING A BUSINESS UNDER LEVIATHAN: NEVADA

GUIDE 1.0

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INTRODUCTION

Leviathan fears entrepreneurs. Entrepreneurs are the disruptors of the status quo and are committed to adding value to society. The fall of Leviathan will come from the actions of entrepreneurs.

In a broad sense, we all behave entrepreneurially. We are committed to gaining/profitting from every action, and the results are always uncertain. Because of this commitment to seeking gains/profits within an uncertain future by allocating limited time and resources we can all be considered entrepreneurs in the strictly economic sense.¹ We each work throughout our lives towards achieving our goals, constantly seeking to live and not merely exist.

To gain the most, we weigh (whether we explicitly acknowledge it or not) the relative costs for resources against what we believe other individuals' future demands will be. However, entrepreneurs must not only compute the prices and costs of resources; they must also consider and mitigate vari-

¹ Austrian economists refer to the broad field of human action, wherein calculating individuals pursue their greatest perceptible "happiness" through purposeful action, as "praxeology." Within the broad field of praxeology, which includes myriad pursuits and endeavors, lies the more narrow field of economics, which studies the logical implications of human action. See Ludwig von Mises's *Human Action*, available in the Liberty.me Library.



ous forms of risk and uncertainty. The task of using valuable, scarce resources to profit from an uncertain future is the essence of entrepreneurship.

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Most entrepreneurs come from relatively humble backgrounds. They're regular Joes. As Ludwig von Mises said, "Every ingenious man is free to start new business projects. He may be poor, his funds may be modest and most of them may be borrowed. But if he fills the wants of consumers in the best and cheapest way, he will succeed."²

Profitable entrepreneurs are simply those of us who see an opportunity to create value for society and act on that vision. Every small business owner, street performer, or sidewalk vendor is an entrepreneur. Not all are successful in perceiving the future needs and valuations of others, but those who are can create financial independence for themselves while also improving the lives of those around them.

The actions of entrepreneurs, of all of us, transform the scattered and uncoordinated plans of each individual into a single, organized, and cooperative effort, aimed at creating an abundance of valuable goods and services, which we call so-

²Ludwig von Mises, *Human Action: A Treatise on Economics*, The Scholar's Edition, 1998 (Reprint: 2008), Auburn, AL: Ludwig von Mises Institute, p. 804. Ludwig von Mises, "Economic Calculation in the Socialist Commonwealth," In *Collectivist Economic Planning*, Ed. F.A. Hayek, 1935, London: George Routledge & Sons (Reprint, Clifton, NJ: Augustus M. Kelley, 1975), pp. 87-130.



ciety. Without the entrepreneur, rational social cooperation cannot emerge.³ Unfortunately, government regulation, especially business licensing requirements, increase the costs, risks, and uncertainty of entrepreneurial activity.

This guide is intended to help you reduce costs and uncertainty created by government bureaucracy. Hopefully this guide will provide you with the knowledge and inspiration to become more confident in tackling an uncertain market in Nevada.

BARRIERS TO ENTREPRENEURSHIP IN NEVADA

The system of profit and loss that provides each of us the necessary tools to add value to society has become increasingly hampered by government policies that complicate the process of entrepreneurship by creating artificial barriers.

Policies set by state and local government officials also overlap with federal interventions to erect barriers to entrepreneurship and, thus, economic growth and prosperity.

A landscaper goes into business for himself because he recognizes that his neighbors have a need for landscaping services and because he has the expertise to provide for that need. However, he may not be intimately familiar with the thousands of pages of regulations, licensing requirements, zoning ordinances, or other legal conditions imposed by city, county, and state officials. If he had financial resources he was willing to spend, he could hire a team of lawyers, lobbyists, and accountants to help guide him through each of the steps he must take. But this option isn't available to everyone. Understandably, the maze of government-imposed obstacles to entrepreneurship can easily discourage and dissuade even the most talented and ambitious entrepreneurs.

There may be no single tax, regulatory proposal, or licensing requirement that would discourage entrepreneurship on its own, but the cumulative effect of all these barriers can easily intimidate some of us from realizing our dreams and launching new ventures. We cannot allow that to happen.

Leviathan perishes
when faced with
innovation and
entrepreneurship.

³ Ludwig von Mises, "Economic Calculation in the Socialist Commonwealth," In *Collectivist Economic Planning*, Ed. F.A. Hayek, 1935, London: George Routledge & Sons (Reprint, Clifton, NJ: Augustus M. Kelley, 1975), pp. 87-130.



Leviathan perishes when faced with innovation and entrepreneurship.

It's the bureaucrat's job to maintain the status quo; it's your job to disrupt this world by producing in ways others have never thought of before. Being an entrepreneur gives you the chance to add value to society, bettering others' lives in the process. Do not be discouraged by Leviathan.

You may not care about getting involved in the political process and changing Leviathan, but in order for you to work in your local area and potentially better the lives of your neighbors, you need to be aware of what you are going up against so you aren't caught off guard by the state's demands. This guide is designed to help you begin your journey to becoming an entrepreneur and starting your business in Nevada.

LICENSING, ZONING, AND FILING REQUIREMENTS

Launching a business in Nevada is no small task. In large part, that's due to the vast amounts of time and financial resources simply to receive permission from the state's bureaucracy to go to work. Entrepreneurs must successfully navigate this maze before they can begin to worry about the ins and outs of running a business.

Launching a business in Nevada is no small task.

STEPS FOR LAUNCHING A BUSINESS IN NEVADA

1. **Consult local zoning authority**
2. **Form a recognized legal business entity**
3. **File Fictitious Firm Name Form with secretary of state**
4. **Obtain occupational licenses, if applicable**
5. **Obtain a state tax identification number with Department of Taxation**
6. **File with IRS for a federal employer identification number**
7. **File with secretary of state and obtain a state business license**
8. **Check with Department of Taxation for retail sales permit, if applicable**



9. **Obtain state license for liquor or gaming, if applicable**
10. **Register for unemployment insurance, if applicable**
11. **Comply with Nevada Labor Commission requirements**
12. **Provide proof of workers' compensation insurance**
13. **Inventory personal property for county assessor**
14. **File for local business license**
15. **Obtain local jurisdictional liquor and gaming license**
16. **Pass jurisdictional business facilities inspections**
17. **Obtain other applicable jurisdictional permits**

Some of Nevada's many regulating authorities and state-funded agencies offer resources to help guide prospective business owners through this process. However, none of them provide the same information in the same way. None accurately details the full legal process required for the launch of a new firm and each of them orders the steps differently.⁴

This guide fills that gap by providing a detailed, consolidated list of the necessary steps for launching a business in Nevada.

Each of these steps is an obstacle along the way to economic progress, entrepreneurial activity, and valuable job creation. But we aren't going to let Leviathan stop you.

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Nevada has different levels of state bureaucracy. You will have to deal with the secretary of state's office at the state level, as well as a local jurisdiction/municipality. Local county and city governments fall into this category. The location of your business determines which authority you will be dealing with. For example, in Las Vegas, depending on where your business is, you will be subject to either Clark County regulations, or City of Las Vegas regulations. Even though the City of Las Vegas is located in Clark County you do not have to deal with both bureaucracies (unless you have more than one business location). It is important to know which jurisdiction your business place falls under so you can begin to deal with the correct regulators from the start.

⁴Examples can be found at: State of Nevada, Office of the Secretary of State, "[New Business Checklist](#)"; Washoe County, "[Business License Information Guide](#)"; University of Nevada, Small Business Development Center, "[Clark County Licensing and Permits](#)"; City of Las Vegas, "[Nevada Registration Essentials](#)"; City of Sparks, "[Business License Application](#)." <http://whynevada.com/newbusinessportal/checklist.asp>, http://www.washoecounty.us/comdev_files/business_license/ten_steps.pdf, <http://nsbdc.org/wp-content/uploads/2012/05/2012-Clark-County-License-Permits.pdf>, <http://www.lasvegasnevada.gov/Apply/26544.htm>, <http://cityof-sparks.us/departments/city-manager/revenue/application>



1. CONSULT LOCAL ZONING AUTHORITY

To begin, you must meet with your appropriate jurisdictional zoning department to determine how your business plans will be impacted by local zoning ordinances. Zoning ordinances are land-use restrictions that artificially suppress the value of particular parcels or neighborhoods by prohibiting certain activities, such as commercial or industrial production, from occurring on these sites.⁵

Ensuring compliance with local zoning ordinances is arguably the most challenging of all the hurdles along the way to establishing a new business, even though it does not top the list of steps in any government-provided guides.

Local zoning departments exist to establish unified standards for land usage and to determine what business operations will or will not be permissible in certain defined areas. If you do not first ensure compliance with these local zoning ordinances, or obtain a zoning variance (a case-specific exception to the established code), then your time and resources will be wasted.

To ensure you comply with the codes correctly (and not end up wasting your time), your best bet is to meet with a zoning representative.

Ensuring compliance with local zoning ordinances is arguably the most challenging of all the hurdles along the way.

The zoning and development codes of Nevada's largest jurisdictions are lengthy. They range from 456 to 800 pages in length and are filled with complex legal jargon that the layman may find unapproachable. In most locations, these codes have been consolidated for "ease of use." However, one result of consolidation is that they now contain multiple restrictions or regulations on a single page. To ensure you comply with the codes correctly (and not end up wasting your time), your best bet is to meet with a zoning representative. Get a copy of everything that is discussed and detail your conversations. These regulations are, at times, interpreted differently by different regulators and the law backs up the bureaucracy in the event of misinformation or error even on their part. However, having proof of the error will always help you resolve any issues.

2. FORM A RECOGNIZED LEGAL BUSINESS ENTITY

At this stage, you have to decide how to structure your business. There are eight possible classifications of business structures to choose from.

⁵ An unintended consequence of land-use restrictions, such as zoning ordinances, is that they artificially limit the supply of space available for commercial or business use, driving up the cost of this space.



1. **Corporation.**
2. **Limited liability corporation (LLC)**
3. **Limited partnership**
4. **Limited liability partnership (LLP)**
5. **Limited liability limited partnership (LLLP)**
6. **Business trust**
7. **Sole proprietor**
8. **General partnership**

A unique set of forms and requirements exists for each of these business structures and must be completed before a license will be granted at the state level.⁶ Each category may require the completion of three to eight mutually exclusive forms. The secretary of state provides a breakdown of the requirements for each type of incorporation.⁷

If you are not sure what each structure of incorporation is, then take a look at the following descriptions. Otherwise skip ahead to the next step.⁸

A corporation is a legal entity separate from its shareholders (owners of common stock within the corporation). Under the current law, a corporation enjoys much of the same rights as individuals (can enter into contracts, loan or borrow money, pay taxes, sue or be sued, etc.), but with limited liability. The shareholders are not held responsible for the debts of the corporation even though they are able to share in its profits.

A limited liability corporation (LLC) allows for the members of the company to not be held personally liable for the company's debts and liabilities. In this structure, the LLCs profits are not taxed, but the profits of the individual business members are (this allows for avoiding double taxation).

A limited partnership is two or more partners joined to conduct business together under the aegis of the business entity. Each partner is liable only to the extent of the amount of money that particular partner has invested. Within this structure there is a general partner and a limited partner. The general partner is responsible for managing the company's day-to-day activities and has unlimited liability for the losses and debts of the company. The limited partner is more-so a silent partner who has invested within the company and has limited liability with respect to the company's debts and liabilities.

A limited liability partnership (LLP) is similar to a limited partnership with one main difference. In

⁶ A detailed listing of the possible licensing forms, for the state level, can be found here: State of Nevada, Office of the Secretary of State, "All Business Forms." <http://www.nvsos.gov/index.aspx?page=129#il>

⁷ Interesting to note, the secretary of state's office encourages all potential business owners to "seek legal counsel for guidance ... [to] ensure they have met all applicable laws and regulations in the appropriate jurisdictions." This is a *de facto* acknowledgement that Nevada policymakers have created and are perpetuating a system that calls for specialized legal knowledge in order to launch a business, complicating the task of entrepreneurship.

⁸ These definitions, and more details, here. <http://www.investopedia.com>



this case, all partners are allowed to make management decisions for the company and each partner has limited liability concerning the actions of the other partners and the debts of the company.

A limited liability limited partnership (LLLP) is nearly the same as the limited partnership; however the general partner who initially organizes the partnership enjoys the same limited liability as the limited partners.⁹

A business trust has trustees that are given legal title to the trust property to administer it for the advantage of the beneficiaries who hold title to it. The beneficiaries receive certificates of beneficial interest, which is transferable. Profits and losses resulting from the use and investment of the trust property are shared proportionally by the beneficiaries according to their interests in the trusts.¹⁰ The forms can be found here.¹¹

A sole proprietorship has one owner who pays personal income tax on the profits of the business. This is generally the simplest business structure to create. Unlike LLCs or limited partnerships, the owner is liable for the debts incurred by the business. Sole proprietorships are beneficial when it comes to taxes (avoids double taxation), but getting capital funding may be an issue.¹²

A general partnership is an arrangement where two or more partners jointly conduct business, but each has unlimited liability concerning the debts and liabilities of the business entity. Each partner is held liable for the actions of the other partners concerning participation in illegal or illicit activities.

3. FILE FICTITIOUS FIRM NAME FORM WITH SECRETARY OF STATE

Next, if you want to operate under any name other than your legal name (e.g., Schmo's Cigars versus Joe Schmo), a fictitious firm name (FFN) must be registered with the county clerk for any and all counties in which you may want to conduct business.¹³ This is important during the state licensing process because, when choosing a business name in this state, there is no way to comprehensively cross reference the already existing legally recognized firm names throughout the seventeen counties within the state. Things can get convoluted. There can be multiples found of the same firm name between each of the counties, and they could all be owned by separate individuals or legal entities. The secretary of state keeps records of all the different recognized legal entities (LLCs, Incs, etc.), and does not allow duplicates, but the task of maintaining lists of FFNs is given to the individual counties.

While it is not required by the secretary of state to decide what your FFN will be at the time of applying for the state license (any legally recognized entity works for them at this stage), it is highly recommended, if you desire to maintain consistency for your own records, that you search the lists of pre existing FFNs within the county that you will be doing business in before

⁹The appropriate documents for the limited partnership, LLP, and LLLP can be found here: <http://nvsos.gov/index.aspx?page=424>

¹⁰<http://legal-dictionary.thefreedictionary.com/Business+Trust>

¹¹<http://nvsos.gov/index.aspx?page=426>

¹²Paperwork for sole proprietorships and general partnerships can be found here: <http://nvsos.gov/index.aspx?page=423>

¹³Newly established corporations, LLCs, LLPs, and LLLPs are exempt from this requirement as long as their business title follows the format of the name of the entity followed by the business structure designation. E.g., Company A, LLC.



filing. Otherwise, you may be Joe Schmo, organized as Schmo's Cigars LLC, but doing business as Schmo's Smokes, because Schmo's Cigars is already registered in the county you want to do business in.

You are not always free to title your firm as you like.

However, you are not always free to title your firm as you like. Instead, the secretary of state maintains a list of words that are restricted for firm names.¹⁴ If you wish to use one of the restricted words (i.e., thrift, college, trust, surety, financial, engineer, residential design, etc.) you are required to either gain approval from the proper regulatory agency or receive an exemption letter.¹⁵

If necessary, you can opt to pay a \$25 administrative fee to reserve a specific business name for up to ninety days.

4. OBTAIN OCCUPATIONAL LICENSES, IF APPLICABLE

Nevada lawmakers have prohibited the practice of more than fifty common occupations unless you first procure a state-sanctioned occupational license. If you hope to fill a need within one of these fields you and each of your employees will need to obtain one of these licenses.

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If you were a displaced construction worker with a talent for interior design, for instance, you are not permitted to simply begin contracting with your neighbors as an interior designer. Nevada's occupational licensing laws require any aspiring interior designer to complete six years worth of education or apprenticeship requirements, pay \$250 in fees, and pass a test administered by the State Board of Architecture, Interior Design, and Residential Design.

Occupations such as travel agent, landscape contractor, or manicurist all offer a path to entrepreneurship and self-reliance, even for individuals with a limited educational background. Yet Nevada lawmakers have imposed hundreds of dollars in special assessments and apprenticeship requirements if you wish to practice these trades. In many cases, lawmakers have even imposed criminal penalties against individuals who practice these trades

without having first obtained a state-sanctioned license.

If you want to be a barber, for instance, you must complete nearly two-and-a-half years' worth of apprenticeship requirements and pass four exams before you are allowed to open

¹⁴ State of Nevada, Office of the Secretary of State, "Restricted Word List." <http://www.nvsos.gov/index.aspx?page=145>

¹⁵ The secretary of state's website notes, "If it appears from the name and/or purpose of the entity being formed that it is to be regulated by the Financial Institutions Division, Insurance Division, State Board of Professional Engineers and Land Surveyors, State Board of Accountancy or Real Estate Division, the application will need to be approved by the regulating agency before it is filed with the Office of the Secretary of State," State of Nevada, Office of the Secretary of State, "New Business Checklist." <http://whynevada.com/newbusinessportal/checklist.asp>



shop and offer your services to customers. Or say you wanted to be a door repairman. In that case you must complete four years' worth of apprenticeship, pay more than \$1,000 in fees, and pass two exams before you are allowed to contract for services. Travel guides also must complete more than two years of apprenticeship, pay \$1,500 in fees, and pass an exam to obtain a state-sanctioned license.

If it is your dream to work in one of these occupations, then you may want to start early and find out what requirements you will have to meet before you are able to begin to make a living for yourself. If you are looking to do one of these jobs as a way to make some extra money while in school or between jobs, you may want to find something with less onerous restrictions so you aren't wasting time.

You may want to start early and find out what requirements you will have to meet before you are able to begin to make a living.

5. OBTAIN A STATE TAX IDENTIFICATION NUMBER WITH DEPARTMENT OF TAXATION

At every stage of the licensing process, you will be required to provide proof of registration with the state tax department. This means that you must register for a [state tax identification number](#).¹⁶ While at the tax department, you may also need to file a [Surety Bond Acknowledgement](#)¹⁷ that will be given to an insurance provider for sales tax collection purposes and an [Affidavit of Purchaser of Farm Machinery and Equipment](#),¹⁸ if you plan to purchase certain items for your business. Many other tax department filings may be required depending on the type of business under consideration. A list of all possible documents can be found [here](#).¹⁹

All filings with the state tax department must be completed before you can continue on to any lower jurisdictional licensing authority.

6. FILE WITH IRS FOR A FEDERAL EMPLOYER IDENTIFICATION NUMBER

Your first run-in with the federal government regarding your new business is that you register with the appropriate federal taxing authorities. At a local outpost of the Internal Revenue

¹⁶ <https://www.nevadatax.nv.gov/web/>

¹⁷ <http://tax.nv.gov/uploadedFiles/taxnv.gov/Content/Forms/BND-SUR-01%2001%20Surety%20Bond%20Acknowledgement%201.pdf>

¹⁸ [http://tax.nv.gov/uploadedFiles/taxnv.gov/Content/Forms/FARM_EQUIPMENT_AFF\(1\).pdf](http://tax.nv.gov/uploadedFiles/taxnv.gov/Content/Forms/FARM_EQUIPMENT_AFF(1).pdf)

¹⁹ <http://tax.nv.gov/Forms/>



Service (IRS), you must apply for a federal [employer identification number](#).²⁰ This number is used to help IRS employees track the federal income tax liability owed by each employee. If you choose to be a sole proprietorship you may be exempted from this requirement, unless you pay wages to one or more employees or have to file excise tax returns.

While at the IRS office, you should also familiarize yourself with the employer requirements for W-4 and I-9 forms, since these will also be required once you open your doors for business.

Your first run-in with the federal government regarding your new business is that you register with the appropriate federal taxing authorities.

7. FILE WITH SECRETARY OF STATE AND OBTAIN A STATE BUSINESS LICENSE

Once state and federal authorities are able to identify and track your new firm for taxing purposes, and you have determined your business structure, you must remit \$200 to the secretary of state, along with a completed [Nevada business registration form](#)²¹ to receive a state-sanctioned business license. The \$200 fee must be renewed on an annual basis and is deposited into the state's general fund.

The Nevada business registration form is also used by many local jurisdictions as part of the application process for a local business license. It can be filed electronically and there are a few expedited filing services available to entrepreneurs for an extra fee. Depending on the jurisdiction, these fees can range from \$25 to \$1,000.

By this stage, it may also be necessary for you to enter into a lease for the property where your business will be located, since many local jurisdictions require a Lease Information Form

Be careful at this stage. You do not want to get yourself into a lease agreement too early in the process.

to be filed along with the Nevada Business Registration form. Of course, entering into a lease at this stage of the process means that you will be committed to paying rent despite the fact that the necessary business filings are not yet completed and that legal complications may still arise. Be careful at this stage. You do not want to get yourself into a lease agreement too early in the process. Be vigilant in talking with landlords and be honest about the fact that you are dealing with the licensing process. Many land-

lords, to secure a commercial lease, will agree to sign the lease while you are still waiting to be approved for business but not collect any rent until your business license is issued. These are rents that the landlord must, at times, forego due to governmental requirements.

²⁰ www.irs.gov/smallbiz

²¹ <http://tax.nv.gov/uploadedFiles/taxnv.gov/Content/Forms/012413%20APP-01%2000%20Nevada%20Business%20Registration%20-%20APP-01%2001%20Supplemental%20Combined%20With%20Instructions%2012-14-12.pdf>



In the best cases, the remaining steps may be completed in about forty-five days. However, depending on the particular business model and licensing requirements to which you are subject, this time horizon may be drawn out substantially.

8. CHECK WITH DEPARTMENT OF TAXATION FOR RETAIL SALES PERMIT, IF APPLICABLE

Once a business license has been issued, any retailer will need to file with the state tax for a [resale certificate](#),²² along with a retail sales permit. Other new tax department filings may be required as well, including consumer permits, certificates of authority, and those to ensure compliance with the modified business tax, live entertainment tax, and other special excise taxes.

9. OBTAIN STATE LICENSE FOR LIQUOR OR GAMING, IF APPLICABLE

If your business model includes liquor or gaming, you must pass through additional steps. Liquor sales and distribution are not licensed at the state level, but they are taxed and regulated. Nevada maintains a [three-tier regulatory structure](#)²³ regarding alcohol distribution and sales. You can register either as a supplier, importer/wholesaler, or retailer. Suppliers can ship or sell to any importer/wholesaler as well as directly to consumers. Importers/wholesalers may only sell to retailers or other wholesalers. Retailers may purchase only from wholesalers—they cannot purchase from other retailers—and can only sell to final consumers.

Nevada's Gaming Control Board issues two different licenses to establishments that will include gaming: restricted and nonrestricted. A restricted gaming license permits you to operate up to fifteen slot machines and costs \$20 quarterly per machine in addition to a \$250 annual tax per machine.

A nonrestricted gaming license is necessary for you to operate table games or more than fifteen slot machines. Operators of table games must pay annual license fees ranging from \$100 if operating a single game, to more than \$16,000 if operating seventeen or more games. In addition, a quarterly license fee is also due on all table games that ranges from \$12.50 if operating a single game, to more than \$20,300 if operating more than thirty-five games. Holders of a nonrestricted gaming license must also pay annual and quarterly license

If your business model includes liquor or gaming, you must pass through additional steps.

²² http://tax.nv.gov/Forms/General_Purpose_Forms/

²³ <http://www.leg.state.nv.us/Session/76th2011/Exhibits/Assembly/TAX/ATAX396D.pdf>



fees for all slot machines, in the amounts of \$250 and \$25 per machine, respectively. In addition, a gross receipts tax is levied against gaming revenue for nonrestricted license holders. The first \$50,000 in monthly revenue is taxed at 3.5 percent; the next \$84,000 in monthly revenue is taxed at 4.5 percent; and all monthly revenue exceeding \$134,000 is taxed at 6.75 percent. The license fee and tax rate schedule can be viewed [here](#).²⁴

10. REGISTER FOR UNEMPLOYMENT INSURANCE, IF APPLICABLE

If your business pays wages in excess of \$225 per quarter, you must register with the Department of Employment, Training, and Rehabilitation's Employment Security Division, and pay for [unemployment insurance](#).²⁵ Unemployment insurance for a new business is currently assessed at 3 percent of the gross wage paid to each employee and is adjusted periodically. The amount of wage subject to the tax is adjusted on an [annual basis](#).²⁶

11. COMPLY WITH NEVADA LABOR COMMISSION REQUIREMENTS

All employers are required to comply with Nevada's minimum wage and overtime laws and are mandated to post signage explaining [these laws](#)²⁷ to their employees in a conspicuous place within their place of business.

12. PROVIDE PROOF OF WORKERS' COMPENSATION INSURANCE

Nevada law requires you to provide workers' compensation insurance for all employees, with a few exceptions. Business owners may not self-insure and any employer who fails to maintain adequate workers' compensation insurance is guilty of a criminal offense. Proof of this insurance must be submitted to the Department of Business and Industry's Division of Industrial Relations by filing an [Affirmation of Compliance with Mandatory Industrial Insurance Requirements form](#).²⁸

Any employer who fails to maintain adequate workers' compensation insurance is guilty of a criminal offense.

²⁴ <http://gaming.nv.gov/index.aspx?page=94>

²⁵ <http://www.detr.state.nv.us/esd.htm>

²⁶ <http://nsbdc.org/wp-content/uploads/2012/05/2012-Clark-County-License-Permits.pdf>

²⁷ http://laborcommissioner.com/forms_pubs.html



13. INVENTORY PERSONAL PROPERTY FOR COUNTY ASSESSOR

If you or your firm own business personal property, you are **required**²⁹ to provide an inventory of all furniture and business equipment in your possession to the local county assessor. The assessor appraises your assets and levies a personal property tax against the value of your property.

14. FILE FOR LOCAL BUSINESS LICENSE

In addition to meeting all state licensing and fee requirements, you must again obtain similar permissions from your local jurisdictional government. Frequently, local jurisdictional requirements are more onerous, more costly, and more specific than those imposed at the state level. In addition, the second layer of local jurisdictional authority means that you must familiarize yourself with a completely new legal corpus and bureaucracy. Alternatively, if you have financial resources you are willing to invest, you can solicit the help of business professionals or lawyers who specialize in navigating the legal maze.

If you were to open shop without first obtaining the necessary permissions from local government authorities, you could face potential penalties ranging up to a \$1,000 fine and six months in jail.³⁰

Each jurisdiction maintains an exclusive business licensing department. If you wish to conduct business across multiple jurisdictions, you may be required to obtain a unique business license from each jurisdiction where you hope to operate. Further, a unique set of application forms exists for the licensing process within each jurisdiction, and each licensing process imposes a unique fee structure and time constraints. As a result, if you envision opening a chain of stores, you should prepare yourself to deal with different bureaucracies and different licensing agreements.

Frequently, local jurisdictional requirements are more onerous, more costly, and more specific than those imposed at the state level.

To make matters more complicated, three different classes of business licenses exist at the local government level. You can apply for a general, regulated, or privileged business license, depending upon the particular business model you envision. The most common of these is a general business license, which applies to a majority of firms and offers the most lenient regulatory oversight.

For specified business models, however, local officials have claimed the authority to discriminate among persons who may own or operate the business, and to stipulate how the business

²⁸ [http://www.clarkcountynv.gov/Depts/business_license/lg/Documents/Affirmation%20of%20Compliance%20\(Worker%27s%20Comp\).pdf](http://www.clarkcountynv.gov/Depts/business_license/lg/Documents/Affirmation%20of%20Compliance%20(Worker%27s%20Comp).pdf)

²⁹ <http://whynevada.com/newbusinessportal/counties/clark.asp>

³⁰ Clark County Municipal Code 6.04.140, City of Las Vegas Municipal Code 6.02.060 & 6.02.360, City of Henderson Municipal Code 4.04.020 & 4.04.230, City of North Las Vegas Municipal Code 5.02.020 & 5.02.460, City of Reno Municipal Code 4.04.020 & 4.04.190, City of Sparks Municipal Code 5.08.020. All can be found and searched here: www.municode.com



may be run. Any business that local officials believe poses a potential threat to the “public health, safety, morals and welfare of the [jurisdiction’s] inhabitants”³¹ may be required to obtain a regulated business license. Businesses that have been required to obtain a [zz](#)³² include ice cream truck vendors, pawnbrokers, auctioneers, reflexologists, and even automobile vendors.

Regulations regarding these firms may extend to the day-to-day minutiae of business operations. Pawnbrokers, for instance, are typically subject to a long series of restrictions regarding who they may purchase items from. Other occupations, such as peddlers in Clark County, may require a doctor’s note proving that an individual is suitable enough (free from communicable diseases) to be licensed.

Not all jurisdictions have defined a regulated license category—a fact that fully displays the necessarily subjective and arbitrary interpretation of public welfare clauses.³³

Privileged licenses are required if your business model will include liquor sales or gaming services. To obtain a privileged business license, you must successfully pass a background check performed by the local sheriff’s office. Typically, you will be required to provide a birth certificate, two color photos, and two copies of your passport and driver’s license. In addition, you must submit to fingerprinting, complete a personal history questionnaire detailing personal and family contacts, provide a personal financial history detailing personal bank accounts and investments, and provide past federal income tax and bank statements. Once the required materials have been assembled and submitted, you are required to wait up to thirty days for completion of the background check and then appear before local officials to apply for a privileged business license. Even upon successful passage of the required background check, there is no guarantee that a license will be issued. Local licensing officials may still exercise subjective discretion to deny a privileged license to a prospective business owner.

To obtain a privileged business license, you must successfully pass a background check performed by the local sheriff’s office.

In addition to the paperwork and bureaucratic delays you must endure to obtain the requisite local business licenses, more fees are required. The licensing fees differ from business to business. An ice cream truck has to pay a different amount than a carpenter has to pay, and each fee structure differs from jurisdiction to jurisdiction.

³¹ Clark County Municode 6.65.010 and various other instances throughout Chapter 6, 7, and 8. Similar trains of thought can be seen throughout City of Las Vegas Municipal Code Ch. 6, City of Henderson Municipal Code Chs. 4 & 5, City of North Las Vegas Municipal Code Ch. 5, City of Sparks Ch. 5, City of Reno Ch. 4, and Washoe County Ch. 25. All can be found here (<http://www.municode.com>), except Washoe County, which is found here (http://www.washoecounty.us/clerks/code_table_of_contents.php).

³² http://www.clarkcountynv.gov/Depts/business_license/lg/Pages/LiquorandGamingLicensingForms.aspx

³³ Clark County has an entire separate chapter in their municipal code to deal with this separate category. Clark County Municipal Code, chapter 7, here (www.muni-code.com)



15. OBTAIN LOCAL JURISDICTIONAL LIQUOR OR GAMING LICENSE

Once again, after having obtained a state license for liquor sales or gaming operations, you must comply with an entirely new set of requirements in order to obtain a duplicative license at the local governmental level. All prior licensing steps must be completed before an entrepreneur is permitted to apply for a local jurisdictional liquor or gaming license.

The application process varies markedly across local jurisdictions. In Clark County for instance, you would be required to complete a Gaming License Application, a Gaming License Supplement, and, if applicable, a separate Liquor License Application. These [applications](#)³⁴ are in addition to the application and personal history reports necessary to receive a privileged business license. Washoe County, on the other hand, requires applicants to [complete](#)³⁵ only [two](#)³⁶ additional pages on top of those required for a privileged business license.

To obtain a local jurisdictional liquor or gaming license, more fees are required. Within the City of Las Vegas, for instance, a restricted gaming license carries an additional \$100 licensing fee. Entrepreneurs may also opt to pay \$500 in fees to submit a temporary license request in the hopes of beginning operations sooner.

16. PASS JURISDICTIONAL BUSINESS FACILITIES INSPECTIONS

Even after you have obtained every requisite license or permit, paid all necessary fees, and complied with zoning ordinances, you are not free to begin serving customers until local authorities have approved your business facilities. The goal of facility inspectors is to provide assurance that the business is in accordance with local building standards.

Make sure you document every inspection and maintain files devoted to satiating the state's regulatory fetish.

However, each facility is subject to inspection from multiple government departments, each of which determines compliance with a unique set of regulations. These include fire codes, building permits, demolition permits, health permits, dust permits, and animal control regulations. Each of these sets of regulations may be hundreds of pages in length with each page containing multiple requirements. As a result, no two inspectors will have an identical understanding of the criteria they are inspecting—a phenomenon that often results in business owners gaining approval from one inspector but then subsequently being cited for violations by a different inspector from the same department.

If a regulator makes a mistake, you are held liable.

³⁴ http://www.clarkcountynv.gov/Depts/business_license/lg/Pages/LiquorandGamingLicensingForms.aspx

³⁵ http://www.co.washoe.nv.us/comdev_files/business_license/liquor_and_gaming/liq_gam_application.pdf

³⁶ http://www.co.washoe.nv.us/comdev_files/business_license/liquor_and_gaming/gaming_summary.pdf



Make sure you document every inspection and maintain files devoted to satiating the state's regulatory fetish. Again, if a regulator makes a mistake, you are held liable. In some cases the government can shut your business down until you fix the mistake made by the regulator. If you can prove negligence or incompetence on the part of the regulator, you can be compensated for damages.

17. OBTAIN OTHER APPLICABLE JURISDICTIONAL PERMITS

Along with each of the steps detailed here, you may also need to procure other jurisdictional permits, adhere to specific mandates, and pay the requisite fees. Depending on the business model envisioned, these may include:

- **charitable registration**
- **Charitable Registration Solicitation Form**
- **Clark County Department of Public Works Form**
- **application for rodeo permit**
- **supplemental information for construction clean up and recycling**
- **Apartment Designated Manager Form**
- **Out of Business Form**
- **Request for Duplicate License Form**
- **vendor registration**
- **Temporary Merchant BL021**
- **Pre-Application Request Form**
- **Zoning Verification Letter**
- **film permit forms**
- **affirmation of compliance with mandatory industrial insurance requirements**
- **child support compliance documents**
- **compliance/exemption forms (SB356)**

The licensing and zoning requirements that you must pass are political processes that have no reflection on your ability to produce value within your society. Indeed, the most talented entrepreneurs, who are adept at perceiving the future needs of others and organizing productive resources to fill those needs, may not enjoy the same level of skill at shepherding a business idea through the political process.

The licensing and zoning requirements that you must pass are political processes that have no reflection on your ability to produce value.



CALL TO ACTION

The multiple layers of bureaucratic agencies you must win approval from before you are able to begin to cater to consumers can be daunting, but this is the goal of Leviathan—to siphon away your abundance and maintain the status quo. We need to make Leviathan as insignificant as possible. This can only happen through entrepreneurial activity by each of us finding new, innovative ways to provide services that the state cannot offer. Now is that time.

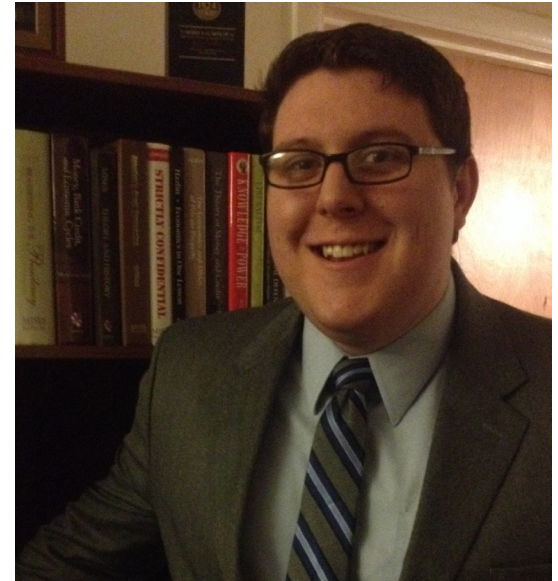
This is the goal of Leviathan—to siphon away your abundance and maintain the status quo.

Entrepreneurs are always vital to the health of society, but even more so during periods of economic downturn. People are tired of how the economy has been molded in the past, especially within Nevada, and it is time to redefine ourselves and seize new opportunities, what Nevada does best. It is time to stop asking for permission from the status quo and disrupt our society by adding value in ways the state isn't prepared for. Bitcoin and 3D printing offer that opportunity. The regulatory agencies have no idea how they will license these entities yet, and in many ways they can exist outside of land-use restrictions.

Entrepreneurs routinely rescue society from the downside of a business cycle that is wrought from short-sighted interventions by government policymakers and bureaucrats. Joseph Schumpeter referred to entrepreneurs' ability to reconstitute a viable economy out of failing or liquidated enterprises as a process of "creative destruction."³⁷ Like a phoenix rising from the ashes, even an economy that has been decimated by misdirected government interventions can be resuscitated

Entrepreneurs
will be the
death of
Leviathan.

by a healthy and vibrant class of entrepreneurs. We are those entrepreneurs, and we will not allow Leviathan to get in our way. Hopefully this guide will help set this in motion and we can begin to live freer, better lives. Entrepreneurs will be the death of Leviathan.



CAMERON BELT

Cameron Belt holds a dual BA in economics and history and is pursuing an MA in economics at the University of Nevada, Reno. He is currently a research assistant for the Nevada Policy Research Institute and the University of Nevada Center for Economic Development. In 2011, Cameron was awarded the Mündliche Prüfung Examination Graduate distinction from Mises University. He also helped his local Students For Liberty chapter win the National Event of the Year Award in 2010.

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³⁷ Joseph Schumpeter, *Capitalism, Socialism and Democracy*. (Look for this title in the Liberty.me Library.)

³⁸ An earlier version of this guide was published with Geoffrey Lawrence by the Nevada Policy Research Institute and can be accessed here (<http://www.npri.org/issues/publication/the-path-to-sustainable-prosperity>).

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