

Doing Business In Scranton

OPEN

Scranton
OECD

Office of Economic and
Community Development

DOING BUSINESS IN SCRANTON, PENNSYLVANIA



Scranton is a great place to do business. And the help you need to succeed in Scranton is available at the Office of Economic and Community Development (OECD). Whether yours is an existing company, a new business, or a business wishing to relocate to Scranton, you will find services at OECD to help reach your goals. If you need help to expand, renovate, invest in new technology or upgrade equipment, call OECD.

Through OECD, the City partners with other units of government – county, state and surrounding communities – and with industrial development organizations like the Greater Scranton Chamber of Commerce – for a coordinated effort to aid economic development and encourage job creation.

The strong alliance of private businesses, non-profit organizations and government agencies has given rise to a renewed entrepreneurial spirit in Scranton. This spirit has created a thriving downtown district and an active retail industry, supported by national corporations that have made the city their home.

Our prime location in the foothills of the Pocono Mountains is enhanced with the development of parks, walking and biking trails and tree-lined streets. Scranton is a friendly, caring, growing community offering desirable housing, including downtown residences and many affordable owner-occupied properties. Arts, entertainment, historical, recreational and sports centers provide enjoyment for all ages.

In Scranton, your business matters. As a general reference, you will find this guide useful in contacting the appropriate departments for your needs. It is intended to be your one-stop resource for obtaining contact information for permits, licenses, and other information necessary for conducting business in the City of Scranton. Please feel free to contact OECD at (570) 348-4216 for help to ensure your business will grow and prosper.

Sincerely,

A handwritten signature in blue ink that reads "Chris Doherty". The signature is written in a cursive, flowing style.

Christopher A. Doherty
Mayor, City of Scranton



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CITY OF SCRANTON BUSINESS START-UP CHECKLIST

The items in this booklet are intended as a guide only and have been carefully researched and deemed correct. However, the City of Scranton and OECD cannot be held responsible for errors or omissions. The information provided herein is not meant to constitute legal advice. Please contact OECD with any suggestions or corrections.

About Scranton Government

The City of Scranton, Pennsylvania is a municipal corporation created pursuant to an Act of the Pennsylvania Legislature on April 23, 1866. The powers of the city government are divided among the executive and legislative branches. All powers and duties which are executive in nature shall be exercised or performed by the Mayor, or such other executive officer of the city government as the Mayor may designate. All powers and duties of the city government which are legislative in nature shall be exercised and performed by the council.

The Mayor shall be elected at large by the qualified electors of the City of Scranton as established by the general laws of the Commonwealth of Pennsylvania for municipal elections. The term of office shall be four years. In the executive branch the established Departments of Administration, Public Safety, Public Works, Community Development, Law and Parks and Recreation exist.

The City Controller is also elected for a term of four years and maintains the accounting systems for the city government in accordance with governmental accounting principles and procedures, keeping accounting records and exercising financial and budgeting controls. The office of the City Controller submits a monthly financial report to the Mayor and City Council, showing the financial condition of various funds of the city government.

The five members of City Council are nominated and elected by the qualified voters of the City at large. The terms of all councilpersons are for four years. The regular meetings of Scranton City Council are held every Thursday beginning at 7:00 P.M., with the exception of legal holidays. All meetings are held in City Council Chambers, Second Floor, Municipal Building, 340 North Washington Avenue, Scranton, PA 18503. Council recesses for the month of August.

All meetings are open to the public. Citizens and taxpayers may address Council on matters of concern, in accordance with the rules set forth by City Council. The City Clerk may be contacted for further information at: (570) 348-4113.

Zoning and Planning Regulations

Zoning:

Before purchasing or renting any building for commercial purposes, check with the Office of Licensing, Inspections and Permits to ensure that the proposed type of business can be operated at the selected site. Prior to moving forward on a project, determination must be made as to whether your chosen business location is permissible in accordance with the city's Zoning and Planning Ordinances.

All land use activities in the City of Scranton are subject to the Zoning Ordinance of the City as outlined in File of Council No. 74, 1993. These include, but are not limited to:

- The erection, construction, movement, placement or extension of a structure, building or sign.
- A change in the type of use or expansion of the use of a structure or area of land and/or the creation of a lot or the alteration of lot lines.
- Any site work involving more than a half-acre of land or the deposit of more than 15 cubic yards of fill and all such activities within the 100-year flood plan.

The City of Scranton has both a Zoning Officer and a Zoning Hearing Board. The Zoning Officer has the authority to allow permitted by right uses only. The Zoning Board has final decision making authority on all zoning issues. The Zoning Hearing Board meets the 2nd Wednesday of each month at 6:00 p.m. in City Council Chambers.

The City Planning Commission - Land Development:

Land Development plans are subject to the provisions of the Subdivision and Land Development Ordinance, File of Council No. 12, 1996 (The SALDO).

Land Development Plans are subject to review and approval by the City Planning Commission. The plans are reviewed by the City Planning Commission at its monthly meeting held the first Wednesday of each month at 7:00 p.m. The review process generally consists of the following:

- Sketch Plan Reviews
- Application submittal forms (available at the City Building Permit Office)
- Staff Review
- Planning Commission Meeting

Licensing, Inspections and Permits

Most people begin the development process by talking to the staff of the Licensing, Inspections and Permits. This is where applications for building, electrical, mechanical, sign, health and plumbing permits originate and where zoning interpretations are made. The staff will work with you to help you understand the review process and help you determine what requirements you will need to move through the approval process. It is important for you to be as specific as possible with all questions in order for the department to give you the correct information.

Building codes are established by state authorities to determine minimum public safety standards for building design, construction, quality, use and occupancy, location and maintenance.

- Any construction or renovation that will occur must be submitted to the Department of Licensing, Inspections & Permits for review and approval.
- All work must be applied for and conducted by licensed city contractors.
- All commercial projects, new or renovations are required to be designed and stamped by a licensed design professional.
- All plans are to be submitted to the Office of Licensing, Inspections and Permits for a formal plan review.
- All projects within the city are required to have a review of a complete set of construction drawings.
- Reviews will be conducted under all current city Building Codes and Ordinances.

For inquiries relating to all Zoning, Planning, City Licensing and Permit regulations, as well as current building codes, please contact the Office of Licensing, Inspections and Permits. The office is located in the Municipal Building, 340 N. Washington Avenue, Scranton, PA 18503. Phone number: (570) 348-4193 Fax number: (570) 348-4171

Business License

Conducting any business within the City of Scranton requires filing for a Business Privilege Tax License with the Collector of Taxes. All businesses must register to establish an account, for which there is no fee. Contact the Collector of Taxes, Scranton Single Tax Office, 135 Jefferson Avenue, First Floor, Scranton, PA 18503 or call (570) 963-6756.

PA State Licensing

Certain enterprises require federal and/or Commonwealth Licensing. To determine applicability, contact The Small Business Resource Center, Room 461, Forum Building, Harrisburg, PA 17120. Phone: (717) 783-5700

The Center for Entrepreneurial Assistance in the PA Department of Community and Economic Development has trained consultants available to help entrepreneurs in all stages of business development. Staff members will provide information concerning business licensing and permits, business planning, government marketing, certification procedures, and many other related business issues. Phone: 1-800-280-3801

The Business Plan

The first, and perhaps the most important, element of a business start-up is the development of a Business Plan. A Business Plan precisely defines your business, identifies your goals and serves as the foundation on which the business is built. The Business Plan will outline a description and history of the business; include a marketing plan, location information, the business organization and ownership, financial planning, projections, breakeven analysis and personal financial information.

The University of Scranton Small Business Development Center will assist individuals in preparing a well-developed and organized business plan. They are located on the campus of the University of Scranton, The Estate Building, Scranton, PA 18510. The SBDC provides confidential, free management and technical assistance directly to small business. Contact: The University of Scranton Small Business Development Center (SBDC) Phone: (570) 941-7588 Fax: (570) 941-4053



Get Your Business Growing in Scranton

Financing a business enterprise most often requires outside assistance. The most appropriate first step is to contact a private lending institution. You will need to provide a Business Plan, Cash Flow Projections, Three (3) Years Company Tax Returns (if applicable) and Personal Financial Statements and Personal Tax Returns (also 3 years). A great many public and private funding sources that may offer financial support to a new business are also available.

One example is the **Grow Scranton Fund**, administered by Scranton's Office of Economic and Community Development, which offers:

- ***Loans from \$25,000 to \$1,000,000***
- ***SBA Guaranteed***
- ***Low equity requirement***
- ***Flexible underwriting***
- ***Community based***
- ***No prepayment penalties***

Loans may be used to purchase real estate, renovate business premises, buy inventory, machinery and equipment or serve as working capital. The Grow Scranton Fund was developed to enhance job creation by providing assistance to existing businesses looking to expand, for starting up a new business or for businesses looking to relocate to Scranton.

Form of Organization

There are four main legal forms of business. It's wise to get the best advice possible when starting your business venture. The SBDC maintains a listing of local attorneys, accountants and insurance agents who have expressed their interest in working with small business owners.

Sole Proprietorship – is the simplest form of organization. Under this structure, profits go to the owner, with unlimited personal liability for business debts.

Partnership – is similar to Sole Proprietorship, except that two or more people are involved. This organization is formed by an agreement entered into by each partner. Each partner has unlimited personal liability for the firm's debts.

Corporation – allows a group of business owners to act as one, forming a separate legal entity, organized in accordance with State and Federal statutes. Under this form of organization there are limited liability and extensive record-keeping requirements. A corporation is the most complex form of business organization.

Limited Liability Company (LLC) – is a unique entity that protects all of the owners and gives them the right to participate in management. This form allows the flexibility of a partnership with the liability protection of a corporation, which helps to protect the owners' personal assets from the debts and liabilities of the business.

Business Name Registration

Any entity, which conducts business under an assumed or fictitious name, must register this name with the Pennsylvania Department of State. To register, you must file form DSCB-54-311 with the Corporation Bureau of the Department of State (it can be downloaded from www.dos.state.pa.us or call (717) 787-1057. The cost to register is \$52 for individuals or corporations.

Additionally, you must also place an advertisement in a newspaper of general circulation and in Lackawanna County's legal newspaper. The ads must be submitted in writing. The legal newspaper for Lackawanna County is: The Lackawanna Jurist, 204 Wyoming Avenue, Suite 205, Scranton, PA 18503, or call (570) 969-9161.

Taxes – Federal, State and Local

Federal - Employer's Federal Identification Number

The Internal Revenue Service and the Social Security Administration require every employer to obtain an Employer Identification Number. Application for an EIN is made on Form SS-4, which is available from any IRS office or by calling 1-800-829-4933 (Business and Specialty Tax Line). An online Internet application is also available at www.irs.gov.

Some businesses are required to have an EIN for use on returns, statements and other documents even though they do not have any employees.

For further details on these and other pertinent laws and regulations, contact: Labor Law Compliance, Department of Labor and Industry, 100 Lackawanna Avenue, Scranton, PA 18503, or call (570) 963-4577.

The IRS has compiled forms and publications necessary for a small business to deal with federal taxing issues. Requests for the kit can be made by calling 1-800-829-3676.

State of Pennsylvania

The Pennsylvania Departments of Revenue and Labor & Industry have developed a combined enterprise registration form, Form PA100. This form is used to register for a combination of licenses and taxation registrations associated with starting a business. This includes both sales and unemployment taxes. Form PA100 does not cover registration for State Income Tax. (If you are unsure if you will be required to collect PA sales tax, please call the Department of Revenue's Taxpayer Service and Information Center at: (717) 787-1064, or the Scranton Regional Office at: (570) 963-4585.)

Forms can be obtained by contacting The Pennsylvania Department of Revenue Office, located at: 101 Penn Avenue, Suite 305, Scranton PA 18503, by calling (570) 963-4585, or through their website: www.revenue.state.pa.us. The application must be filed prior to commencing a business.

Various state taxes are imposed upon individuals, employers, businesses and certain products. The tax for which any business is liable depends on the type and structure of the business. Direct your questions on tax topics, or obtain general tax information, to the Pennsylvania Department of Revenue – Scranton Regional Office: (570) 963-4585.

Obtain Workers' Compensation insurance coverage for your employees. In Pennsylvania, workers compensation insurance is required if a person, company or corporation has any full or part-time employees. Contact the Department of Labor and Industry's Bureau of Workers' Compensation Help Line for answers to your general questions at: (717) 772-4447.

Local – City of Scranton

In Lackawanna County, businesses are required to pay various forms of County, School District and Municipal Taxes. All Scranton-based businesses must register their companies with the Collector of Taxes/Scranton Single Tax Office. Their questionnaire is used to collect school district, city wage and mercantile taxes. This form must be filed within five (5) days of a company's acquisition or from the day business operations begin. Contact the Collector of Taxes, Scranton Single Tax Office, 135 Jefferson Avenue, First Floor, Scranton, PA 18503 or call (570) 963-6756. The questionnaire may also be accessed at: www.single-tax.scranton.pa.us.

KOZ/KOEZ

If you are thinking of starting or expanding a business, you should consider doing it in a Keystone Opportunity Zone (KOZ) or a Keystone Opportunity Expansion Zone (KOEZ). Businesses that operate in KOZs/KOEZs are in line to receive significant state and local tax benefits. These are virtually tax free zones that may result in substantial state and local tax savings, giving businesses more money to invest into business operations. Businesses are not entitled to any tax benefits of a KOZ/KOEZ unless they are in compliance with all state and local tax laws and building code provisions.

To become a qualified business, a business must: (1) own or lease real property in a KOZ/KOEZ from which it actively conducts a trade, profession, or business, and (2) obtain annual certification from the PA Department of Community and Economic Development.

KOZ/KOEZ properties can be reviewed with the local KOZ coordinator at the Office of Economic and Community Development (OECD), Scranton Life Building, Suite 812, 538 Spruce Street, Scranton, PA 18503. Telephone number: (570) 348-4124. A complete listing of all Scranton KOZ/KOEZ properties is also available at www.nepakoz.org.

To contact the Pennsylvania Department of Revenue's KOZ/KOEZ coordinator, call: (717) 772-3896 or access the PA KOZ website at: www.inventpa.com/koz.

Parking

For information on parking regulations as well as assistance with your parking needs, contact the Scranton Parking Authority's office, located at Linden Street & N. Washington Avenue, Scranton, PA 18503. Phone: (570) 343-6519

The on-street parking meters are for short-term parking, therefore, continuously feeding the meters is prohibited. The Parking Authority's garages are designed to serve long-term parking needs. Meters are enforced from 8:00 a.m. to 6:00 p.m., Monday through Friday, with the exception of certain legal holidays.

Sources of Assistance

Greater Scranton Chamber of Commerce

222 Mulberry Street
Scranton, PA 18503
(570) 342-7711

www.scrantonchamber.com

U.S. Small Business Administration

Philadelphia District Office
Robert N.C. Nix Federal Building, 5th Floor
900 Market Street
Philadelphia, PA 19107
(215) 580-2722

www.sbaonline.sba.gov

National Association of Women Business Owners

800-556-2926
NEPA Chapter: (570) 378-3146

Small Business Development Center University of Scranton

The Estate Building
Scranton, PA 18510
(570) 941-7588

www.pasbdc.org/scranton

www.inventpa.com

Invent PA provides easy-to-access online programs, initiatives and assistance for businesses, communities and individuals. InventPA.com is the official site of the Pennsylvania Department of Community and Economic Development.

Other Helpful Websites

www.paopen4business.com

Your source for the most popular Pennsylvania open for business information.

www.lackawannainfo.org

Lackawannainfo.org is a community service that helps consumers and nonprofit organizations share information.

www.surfscranton.com

An online resource for the Scranton, Pennsylvania area, listing over 1000 web sites related to people, entertainment, businesses, activities, organizations, events, etc...