



BUSINESS QUICK START GUIDE FREIGHT TRUCKING



Free One-on-One Consulting is Available

Small business technical assistance centers are available throughout the state of California to provide you with direct one-on-one support **at no cost to you.**

To find your nearest center, visit calosba.ca.gov



BUSINESS QUICK START GUIDE FOR FREIGHT TRUCKING BUSINESSES

Freight trucking businesses may provide transportation services for large cargo between retailers, wholesalers, factories, and more. Below is a list of local, state, and federal requirements that may apply to this business type.

AT THE STATE AND FEDERAL LEVEL:

Obtain a Commercial Driver's License (CDL) and Related Endorsements:

- Federal Entry Driver Training (ELDT) requirements for a CDL
 - Applies to those seeking a:
 - Class A or Class B CDL for the first time;
 - Upgrade an existing Class B CDL to a Class A CDL; or
 - Obtain a school bus (S), passenger (P), or hazardous materials (H) endorsement for the first time
 - CA requires applicants to complete a minimum of 15 hours of behind-the-wheel training and submit it to DMV as proof of completion... this can be done by:
 - Private trucking school
 - Company-owned training programs
 - Sponsorship from the trucking company to attend a CDL school
- Federal Hazardous Materials (HazMat) Requirements:
 - Those applying for/renewing a CDL with a HazMat endorsement are required to undergo a federal Transportation Security Administration (TSA) security threat assessment (background check) before the endorsement can be issued.
 - To apply for an original HazMat endorsement, you will need to start a CDL application with the Department of Motor Vehicles (DMV), be at least 21 years of age, and submit all required documentation and fees.



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- A commercial learner's permit (CLP) and/or temporary license will state "Not valid for carrying hazardous materials". After TSA completes the background check, one of the following will happen, either:
 - You will be notified by TSA that you are ineligible for a HazMat endorsement; or
 - DMV will send you a new CDL with a HazMat endorsement when all applicable tests are completed

- Register your commercial vehicle with the DMV:
 - [Commercial Vehicle Registration - California DMV](#)

- California Secretary of State (SOS) Filing:
 - Necessary for those who intend to form a corporation, limited liability company or partnership
 - Not necessary for sole proprietors

 - SOS Forms: [Forms, Samples and Fees: California Secretary of State](#)

- U.S. Department of Transportation (USDOT) Number and Authority:
 - Requires a unique identifier used to collect and monitor safety information, inspections, investigations, etc.
 - Motor Carrier permits, medical card for the trucker

 - You are required to have an interstate Operating Authority (MC Number) in addition to a DOT number if you will:
 - Transport passengers in interstate commerce (for a fee or other compensation, whether direct or indirect)
 - Transport federally regulated commodities owned by others or arranging for their transport (for a fee or other compensation, in interstate commerce)

 - Apply for Authority
 - First-time applicants who have never registered with the Federal Motor Carrier Safety Administration (FMCSA) before and have not been issued a DOT number need to register via the new Unified Registration System:
 - [Fraudulent and Misleading Marketing to New FMCSA Applicants](#)



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- Hazardous Waste Transport Permit – California Highway Patrol (CHP) within the state:
 - Transporters do not need a permit to transport hazardous waste if they comply with [Chapter 13](#), including obtaining a hazardous waste registration certificate
 - However, if the transporter stores hazardous waste longer than 10 days or treats or disposes of waste at their facility, a permit would be required
 - Information on regulations if you are managing Hazardous Waste in CA:
 - [Transporters | Department of Toxic Substances Control](#)

- Heavy Load Permit:
 - California Vehicle Code requires an oversize load permit for any load exceeding legal weight or dimensions: loads exceeding 14' high, 8'6" wide, 40' long (single), 65' (truck/trailer), 75' (multi trailers), or 20,000 lbs./axle
 - [Link to apply](#)

- Insurance types required for transporting freight:
 - Primary Liability: \$750,000 in primary liability coverage is required to cover damage or injury caused by an accident where you are at fault
 - Cargo: \$100,000 is the most common request to cover cargo
 - Physical Damage: Covers truck damage in accidents where you're not liable
 - Non-trucking-use (bobtail): Covers if you are liable for an accident when you are not hauling a load for someone else



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Tax/Regulation

- Franchise Tax Board (FTB) and Internal Revenue Service (IRS) Registration
 - Required for all businesses
 - FTB: state tax [Business filing information | FTB.ca.gov](https://ftb.ca.gov)
 - IRS: federal tax [Business Taxes | Internal Revenue Service](https://www.irs.gov)
- Heavy Vehicle Use Tax
 - Funds highway programs; the federal government charges annual tax on trucks exceeding 55,000 pounds
- International Registration Plan (IRP)
 - Distributes registration fees based on distance traveled in each state or Canadian province
 - Register via the state's [IRP website](#)
- International Fuel Tax Agreement (IFTA)
 - Agreement between 48 U.S. States and Canadian provinces to simplify reporting of fuel use by carriers who drive in multiple states
 - Carriers file a quarterly fuel tax that determines tax allocations, which are distributed to the respective states
- BOC – 3 Filing (Designation of Agents for Service of Process)
 - This is a federal filing in the United States that assigns a process agent to accept legal documents on behalf of a transportation or logistics company in each state in which the company is authorized to do business
- Drug Testing and Federal Motor Vehicle Carrier Administration (FMCSA) Clearinghouse
 - Manage your drug testing program and register all drivers with the [FMCSA](#)



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AT THE LOCAL LEVEL:

- Business License
 - Most local governments require a business license or business tax registration/certificate
 - If your business will be:
 - Located in an incorporated city, contact the city
 - Located in an unincorporated area, contact the county
- Fictitious Business Name Statement or Doing Business As (DBA) – County Recorder
 - Required when the business name does not include the surname of the individual owner(s); and each of the partners; or the business name suggests the existence of additional owners; or the nature of the business is not evident by the name of the business
 - Obtained from the county of location
- Small Business Technical Assistance
 - [Small Business Centers | California Office of the Small Business Advocate \(CalOSBA\)](#)
 - Assist small businesses starting or growing and offer free or low cost advice, consulting, and training
- Procurement and Supplier Diversity
 - [Procurement and Supply Chain | California Office of the Small Business Advocate \(CalOSBA\)](#)
 - Source Diverse Source Local is a public-private collaboration to strengthen an inclusive procurement process and resilient California-based supply chain
- Zoning Permits
 - Consult the local planning department to make sure your business activities are permitted, based on the city (incorporated area) or county (unincorporated area) and to determine if additional permits are required



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ONLINE PERMIT ASSISTANCE TOOL:

- CalGold may be used as an online permit assistance tool to identify local, state, and federal permit information for businesses. The online tool provides webpage links, application forms, and contact information for the various agencies that administer and issue these permits.
 - [CalGold](#)

CONSIDERATIONS:

- This Quick Start Guide is only one source of information among the many sources that are available to you. You may wish to consider multiple sources to make an informed decision. You are solely responsible for deciding how to form and create your business. You are responsible for determining whether the information you obtain through your use of this guide is suitable for your purposes.