

Start a Trucking Company In 8 Steps



A guide from the
entrepreneurship pros at
[incorporate.com](https://www.incorporate.com)



Are you a prospective owner-operator looking to start a trucking company?

If so, here is a step-by-step guide to help you start your business.



If the transition from professional truck driver to owner-operator seems intimidating, consider these promising statistics from the [American Trucking Associations](#):

- ▶ 70% of all freight in the United States is currently transported by the trucking industry
- ▶ 27% growth is expected over the next decade
- ▶ 91% of trucking companies operate six or fewer trucks, meaning the industry is dominated by small carriers

The logistics and transportation industry is highly competitive and has great potential for professional truck drivers that understand the trade. If you are ready to start a trucking company, but you are not certain where to begin, this straightforward guide will steer you in the right direction.

1 Write a business plan.

Just like you'd begin a new job with a fresh perspective and set of goals, you'll also want to start your new trucking company with an organized plan. A business plan is your roadmap to success and can be refined as your business grows. It helps you get organized, identify goals, articulate your value proposition, and presents potential obstacles down the road.

Writing a business plan might seem like a lot of work. Don't worry, we've got you covered. [Download our business plan template](#) to help you get organized and on the right track.



2

Legally establish your company.

Operating your trucking company as a properly structured corporation or limited liability company (LLC) sets boundaries between your personal assets and business liabilities. In addition to protecting your personal property as a business owner, incorporating offers several legal, tax, and business advantages. Compare the entities below to decide which structure is the ideal fit for your new trucking company. (step 2 continued on next page)

	C Corp	S Corp	LLC	General Partnership	Sole Proprietor
Owners have limited liability for business debts and obligations	✓	✓	✓		
Created by a state-level registration that usually protects the company name	✓	✓	✓		
Business duration can be perpetual	✓	✓	✓		
May have an unlimited number of owners	✓		✓	✓	
Owners need not be U.S. citizens or residents	✓		✓	✓	✓
May be owned by another business, rather than individuals	✓		✓		
May issue shares of stock to attract investors	✓	✓			
Owners can report business profit and loss on their personal tax returns		✓	✓	✓	✓
Owners can split profit and loss with the business for a lower overall tax rate	✓				
Permitted to distribute special allocations under certain guidelines			✓	✓	
Not required to hold annual meetings or record meeting minutes			✓	✓	✓



When you form a corporation or LLC, you will need to take the following steps:

- ▶ **Appoint a registered agent.** A registered agent is the state's way of communicating with a business entity and is required by law in most states. As the official point of contact for the secretary of state, the registered agent must be present at a physical address (not a P.O. Box) to sign for and receive legal notices, state mandates, wage garnishments, and tax documents during specific business hours. It is critical for registered agents to be consistently accessible. A missed delivery could jeopardize your company's good standing with the state or enable a lawsuit to proceed against you without your knowledge.
- ▶ **Obtain your EIN to open a bank account.** Your employer identification number, or EIN, is like a social security number for your business. This nine-digit number is required to open a business bank account and must be present on all tax filings for the life of your business.

We can help: Our incorporation specialists can help you start an LLC or corporation, **obtain an EIN**, and **serve as your business's registered agent**.

3

Obtain business licenses and permits.

Most state, county, and local governments require companies to have the right licenses and permits in place before they open their doors. There are more than 150,000 filing jurisdictions across the country, all with independent requirements. Depending on your service and where you operate your trucking company, any number of licenses and permits may apply to your business.

Every owner-operator should determine if the following items are required to run a successful trucking company:

- ▶ **A commercial driver's license (CDL) and any necessary endorsements:** Federal law requires **drivers of commercial motor vehicles** to obtain a CDL. Contact your state's licensing agency for more details.
- ▶ **A USDOT Number:** The Federal Motor Carrier Safety Administration (FMCSA) uses trucking companies' unique **USDOT Number** to identify the company when conducting inspections, audits, and investigations.
- ▶ **A Motor Carrier Operating Authority (MC number):** You may need to obtain more than one **MC number** for your trucking business, depending on your business operations.
- ▶ **International Registration Plan (IRP) credentials and International Fuel Tax Agreement (IFTA) decal:** Trucking companies offering services in or across multiple states must obtain IRP credentials and IFTA decals for their vehicles.



4

Buy or lease the right equipment.

The proper equipment can make the difference between success and failure. When selecting equipment for your trucking company, consider the following items:

- ▶ Can the vehicle accommodate the needs of your cargo? For instance, if you are transporting perishable items, you might consider a refrigerated compartment.
- ▶ Is buying or leasing equipment a better option for your new business?

This is an opportune time to conduct additional research and leverage your network connections. Speak to professional truck drivers that have made the transition to owner-operator and take the time to compare options before you make a purchasing decision.



5

Select the proper insurance coverage.

As an owner-operator you will need to obtain business insurance for your new trucking company. The most effective way to secure the best premium is to contact several agents and consider the following options before you make a decision on a policy.

- ▶ **Primary liability insurance**
- ▶ **Cargo insurance**
- ▶ **Physical damage insurance**
- ▶ **Passenger accident insurance**

6

Track your income and expenses.

Creating a system to track income and expenses is key to operating a successful business. This is especially important for transportation companies, because payments are often received weeks or months after delivery, and it can be difficult to track expenditures while you're on the road. (step 6 continued on next page)

To help avoid common startup obstacles, keep the following best practices in mind:

- ▶ Subscribe to bookkeeping software or hire an accountant. Online accounting software like Xero can help you track your income and expenses even while you're away from home. It can also help you find an accountant or bookkeeper to help keep you on track.
- ▶ Understand when and how you'll be paid for deliveries. Shipping contracts often allow for payment 30 to 90 days after delivery. Such delays can be managed, but only if you are aware of them ahead of time.
- ▶ Maintain thorough records of business expenses. Keep a file of invoices, receipts, and check stubs so you can prove your expenses if necessary.
- ▶ Keep your personal and business finances separate. Maintain separate bank accounts for business and personal use.

7

Find loads and grow your business.

When you first start a trucking company, you'll have to find freight to transport. One way to do this is to use load boards to find new customers.

Another option is to build relationships with potential customers through marketing and networking efforts. Contact local shippers directly and meet prospective customers where they do business. A good place to start would be relevant small business trade shows or industry groups or the DAT Load Board for Truckers, available for download on Android and Apple operating systems.

Pro tip: Outsourcing and delegating administrative tasks will help you focus on what you do best to grow a successful business. At [incorporate.com](https://www.incorporate.com), our teams can manage regulatory business filings while you're on the road, freeing you up to do what you do best.

8

Stay in compliance.

Owning and operating a business means staying up to date on time-sensitive filing requirements, ranging from IFTA's quarterly tax returns to multi-year renewals for CDLs. Failure to keep up with these requirements can result in loss of good standing or significant penalties. This includes staying compliant with your state's corporate reporting requirements. Failure to do so can cause the state to revoke your corporation's or LLC's existence. At [incorporate.com](https://www.incorporate.com), we offer business compliance packages to help you meet your **business licensing and annual reporting requirements**.



Ready to Start a Trucking Company?

Make it happen with incorporate.com—from formations to ongoing business filings, we help you stay on track as your business grows. We specialize in a range of business services, such as:

- ▶ Forming an LLC or Corporation
- ▶ Registered Agent Service
- ▶ Obtaining an Employer Identification Number (EIN)
- ▶ Annual Reports
- ▶ Business License Research
- ▶ DBA “Doing Business As” Name
- ▶ Bylaws and Operating Agreements
- ▶ Certified Copies of LLC or Corporation Documents

Call **855-402-1516** to get started.

Our specialists can walk you through the entire process.



Don't take it from us.

"Extremely friendly, accurate, and knowledgeable. Delivered on all they promised."

MICHAEL EGBERT
Palo Alto, CA

"Your company made it very easy for me to get an LLC, and it saved me a lot of time and frustration."

TERRI MCLEAN
Woodbridge, VA

"Much easier than incorporating on one's own. I've done it both ways and it was well worth the money."

JAMES IRELAND
Las Vegas, NV

"The process was very simple and the price was great!"

MARILYN FIELDS
Middletown, NY

"Great customer support and an amazing range of services offered at the best prices. Add to that the Compliance Watch service and it just can't be beat."

ASHTON E. SMITH
Fairfield, CT





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