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STARTING A BUSINESS AS AN IMMIGRANT

Tax ID numbers, banking, building credit from scratch, and the questions to take to an immigration attorney before you start.

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AT A GLANCE

- In the US, you can generally **form and own** a business without being a citizen. But whether you can **work in** the business depends on your immigration status. Ask an immigration attorney before you start.
- If you don't have a Social Security number, you may be able to get an **ITIN** (Individual Taxpayer Identification Number) for taxes, and an **EIN** (a business tax ID number) for the business.
- Your credit history from another country usually doesn't carry over. You can start building US business and personal credit right away.

WATCH OUT

This guide is general education about US rules, not legal advice. Immigration rules are complex and change often, and the wrong step can affect your status. **Talk to a licensed immigration attorney or an accredited representative about your situation before you start working in a business.** Many nonprofits offer free or low-cost consultations.

Why it matters

Immigrants start businesses at high rates in the US, and many of the country's best-known companies were founded or co-founded by immigrants. But newcomers often face extra steps: a different tax ID, no credit history, banks asking for unfamiliar documents, and visa questions. Knowing the steps ahead of time saves time and avoids costly mistakes.

Owning vs. working in a business

These are two different questions.

- **Owning a business.** In most US states, you don't need to be a citizen or permanent resident to form an LLC or corporation and own shares in it.
- **Working in a business.** Doing work for the business, including running it day to day and being paid, may require work authorization. Some visas allow it, some limit it, and some don't allow it.

> KEY POINT
>
> Before you do any work in your business, confirm with an immigration attorney what your status allows. Ask specifically about owning, managing, being paid, and passive investment.

Tax ID numbers

Number	Who it's for	How to get it
SSN (Social Security number)	People authorized to work in the US	Social Security Administration
ITIN (Individual Taxpayer Identification Number)	People who need to file US taxes but can't get an SSN	IRS Form W-7, usually with a tax return
EIN (Employer Identification Number)	The business itself	IRS. The online application needs an SSN or ITIN. Without one, you can usually apply by mail or fax on Form SS-4.

See **B-03 Getting a Tax ID Number (EIN and ITIN)** for the step-by-step.

Banking

Banks must verify who you are, so expect to bring:

- Your business formation papers (for example, articles of organization)
- Your EIN letter from the IRS
- A passport or other government photo ID
- Proof of address
- Sometimes your SSN or ITIN

Requirements differ from bank to bank. Credit unions, community banks and community lenders are often more flexible with newcomers. If one bank says no, ask another. See **B-04 Opening a Business Bank Account**.

Building credit from zero

Your credit history from another country usually starts at zero in the US. To build it:

1. **Get a secured credit card.** You put down a deposit, and the card reports your payments to the credit bureaus.
2. **Pay everything on time, every time.** Payment history is the biggest part of your score.
3. **Keep balances low.** Try to use less than 30% of your limit.
4. **Build business credit separately.** Open supplier accounts that report to business credit bureaus. See **M-11 Building Business Credit**.
5. **Ask about international credit history.** Some services can translate your credit history from certain countries for US lenders.

WATCH OUT

SBA loans: as of 2026, US Small Business Administration loan programs (7(a), 504, microloans and surety bonds) generally require the business to be **100% owned by US citizens or US nationals** living in the US. Businesses with any owner who is a green card holder or visa holder don't qualify. Community lenders (CDFIs), credit unions and banks using their own money may still lend. Rules change, so ask lenders about current eligibility. See **R-05 Microloans and Community Lenders** and **R-06 Small Business Loans and SBA Loans**.

Your strengths

Immigrant founders often bring real advantages: knowledge of markets and customers others overlook, ties to suppliers abroad, more than one language, and communities that support each other's businesses. Use them. Your community is often your first customer base.

EXAMPLE

Joseph moved from Haiti and has a work permit. He formed an LLC for his auto-repair business, got an EIN online using his SSN, and opened an account at a local credit union. With no US credit history, he got a secured card and two supplier accounts. After 12 months of on-time payments, he qualified for a small equipment loan from a community lender.

Common mistakes

- **Starting to work before checking your status.** This can affect your visa or future applications. Ask first.
- **Using a friend's or relative's name on the business to "make it easier."** It can cause legal, tax and ownership problems later.
- **Paying for "guaranteed" business visas or setups from non-lawyers.** Use licensed attorneys or accredited representatives. Watch for scams. See **R-23 Red Flags and Funding Scams to Avoid**.
- **Mixing personal and business money.** It's harder to build business credit and prove income.

Your checklist

- ☐ Book a consultation with a licensed immigration attorney or accredited representative
- ☐ Ask what your status allows: owning, managing, working and being paid
- ☐ Find out which tax ID you can get (SSN or ITIN) and apply for an EIN
- ☐ Gather documents for a business bank account
- ☐ Open a secured card or a reporting supplier account to start building credit
- ☐ List the people and groups in your community who could be your first customers

Key words, explained

Word	What it means
Work authorization	Permission under US immigration law to work.
ITIN	A tax number from the IRS for people who can't get an SSN.
EIN	A tax number for a business, from the IRS.
Secured credit card	A card backed by your own deposit, used to build credit.
Accredited representative	A non-lawyer authorized by the government to give immigration legal help through a recognized nonprofit.

Where to go next

- **B-03 Getting a Tax ID Number (EIN and ITIN)**
- **B-04 Opening a Business Bank Account**
- **M-11 Building Business Credit**
- **S-08 Finding Mentors and Building a Network From Zero**

IMPORTANT
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