

ESTABLISHING A BUSINESS IN HOUSTON, TEXAS

General Information

(Source: GHP Houston)

DISCLAIMER: The following information is intended as a guide to various business factors and principles of law and regulation to be considered by foreign companies or foreign entrepreneurs wanting to establish business in Texas. The publisher is not engaged in rendering legal or accounting advice, and the guidelines should not be considered as such. If legal or expert services are required, we will connect your with our partners, accountants, attorneys or feel free to contact a professional tax consultant, accountant and/or attorney to verify all legal requirements are met before operating a business

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GENERAL OVERVIEW:

In the United States, the incorporation of foreign business entities is regulated at the state level – as opposed to the federal or national level. The application process will vary from state to state and therefore the information contained in this document pertains only to the state of Texas.

ESTABLISHING A BUSINESS IN HOUSTON, TEXAS:

Establishing a business in Houston is easy to accomplish. Foreign companies and or entrepreneurs are given the same privileges as American entrepreneurs or companies. There are no requirements in the U.S. of having local partners or minimum investment levels for foreigners. The U.S. government limits non-U.S. citizens from owning some businesses such as radio and TV stations. Otherwise, foreign companies are treated in the same manner as U.S. firms in regards to taxation, regulations and permitting. Even though there are no U.S. citizenship or residency requirements for setting up or owning a business in the United States; there are visa requirements for living in the U.S. to conduct business.

Additionally, Texas law does not restrict who can form nor have an ownership interest in a business entity, other than requiring the organizer be a person capable of entering into a contract.

Texas Business Organizations Code (BOC)

As of January 1, 2010, many Texas business laws were repealed and the Texas Business Organizations Code automatically became applicable to existing domestic and foreign business entities, as well as newly created entities.

The BOC applies to all Texas corporations, partnerships, limited liability companies, and other domestic filing entities, as well as all foreign filing entities registered to transact business in Texas. The BOC applies regardless of an entity's formation date or whether the entity has taken affirmative steps to adopt the BOC.

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BASIC STEPS AND CONSIDERATIONS INVOLVED:

I. SELECT YOUR BUSINESS STRUCTURE

The first decision a business must make after deciding to establish a business in Houston involves selecting the proper state of incorporation.

II. REGISTER WITH THE TEXAS SECRETARY OF STATE

III. REGISTERED AGENT AND REGISTERED OFFICE

The Texas Business Organizations Code ("BOC") requires every domestic or foreign filing entity to maintain a registered agent and office in Texas.

IV. REGISTER A BUSINESS NAME

Once the legal structure of the business has been determined, and if a separate business name will be used, the business name must be registered with the applicable county clerk's office and/or the Texas Secretary of State.

V. TAXES

A new business needs to determine its federal, state, and local tax obligations. Early and proper tax planning is critical for any individual or business entity considering an investment in the United States.

VI. WORKFORCE

If you will be hiring employees for your business entity, you will need to register for an Employer Identification Number (EIN) – also known as a federal tax identification number. The Texas Workforce Commission can provide a great deal of assistance with state hiring and employment laws, recruiting assistance and area wage information.

VII. REAL ESTATE OPTIONS

Office, industrial and warehouse real estate is abundant in the Houston area and is available throughout the region at attractive rates.

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VIII. VISAS and EMPLOYMENT AUTHORIZATION DOCUMENT

The Visa Waiver Program (VWP) enables citizens of many countries to travel to the United States for tourism or business for stays of 90 days or less without obtaining a visa. Aliens who want to work in the United States for longer periods either need a non-immigrant (temporary) visa or an immigration (permanent) visa.

IX. INCENTIVES

Incentives are available in the Houston region for businesses that are expanding or relocating into the region. Incentives are typically based on job creation and capital investment.

X. USAFRANCE, LLC ASSISTANCE

With our partners, accountants attorneys, we will assist you to register your company and choose the best structure. We will assist you with your EIN and assist you to get started.

DETAILS FOR BASIC UNDERSTANDING OF GENERAL REQUIREMENTS AND CONSIDERATIONS:

Generally, businesses are created and operated in one of the following forms:

- **Sole proprietorship:** The most common and the simplest form of business is the sole proprietorship. In a sole proprietorship, a single individual engages in a business activity without necessity of formal organization.
- **General partnership:** A general partnership is created when two or more persons associate to carry on a business for profit. A partnership generally operates in accordance with a partnership agreement, but there is no requirement that the agreement be in writing and no state-filing requirement.
- **Corporation:** A Texas corporation is created by filing a certificate of formation with the Texas Secretary of State. The Secretary of State provides a form that meets minimum state law requirements. A corporation is a legal person with the characteristics of limited liability, centralization of management, perpetual duration, and ease of transferability of ownership interests. The owners of a corporation are called "shareholders."

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The persons who manage the business and affairs of a corporation are called “directors.” However, state corporate law does provide for shareholders to enter into shareholders’ agreements to eliminate the directors and provide for shareholder management. Choosing the best management structure for your corporation is a decision you make with the advice of an attorney.

An “S” corporation is not a matter of state corporate law but rather a federal tax election. A for-profit corporation elects to be taxed as an “S” corporation by filing an election with the Internal Revenue Service (IRS). Please contact the IRS or competent tax counsel regarding the decision to be taxed as an “S” corporation and the requirements for filing the election.

- **Limited Liability Company:** A Texas Limited Liability Company is created by filing a certificate of formation with the Texas Secretary of State.

The limited liability company (LLC) is not a partnership or a corporation but rather is a distinct type of entity that has the powers of both a corporation and a partnership. Depending on how the LLC is structured, it may be likened to a general partnership with limited liability, or to a limited partnership where all the owners are free to participate in management and all have limited liability, or to an “S” corporation without the ownership and tax restrictions imposed by the Internal Revenue Code. Unlike the partnership, where the key element is the individual, the essence of the limited liability company is the entity, requiring for its creation more formal requirements.

The owners of an LLC are called “members.” A member can be an individual, partnership, corporation, trust, and any other legal or commercial entity. Generally, the liability of the members is limited to their investment and they may enjoy the pass-through tax treatment afforded to partners in a partnership. As a result of federal tax classification rules, an LLC can achieve both structural flexibility and favorable tax treatment.

- **Limited Partnership:** A Texas limited partnership is a partnership formed by two or more persons and having one or more general partners and one or more limited partners. The limited partnership operates in accordance with a partnership agreement, written or oral, of the partners as to the affairs of the limited partnership and the conduct of its business. While the partnership agreement is not filed for public record, the limited partnership must file a certificate of formation with the Texas Secretary of State.

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• **Limited Liability Partnership:** In order to limit the liability of its general partners, a general or limited partnership may opt to register as a limited liability partnership. The Secretary of State provides a form for registration as a limited liability partnership.

II. REGISTERED AGENT AND OFFICE

The Texas Business Organizations Code (“BOC”) requires every domestic or foreign filing entity to continuously maintain a registered agent and registered office in Texas.

An entity’s **registered agent** is a representative of the entity who may be served with any notice or demand required or permitted by law to be served on the entity. The BOC requires that registered agents designated on or after January 1, 2010 must have consented to serve in that capacity in a written or electronic form developed by the Office of the Secretary of State. Use Form 401-A for this consent.

An entity’s **registered office** must be a physical address in Texas where the registered agent can be served with process during business hours. The registered office is also where the Office of the Secretary of State will mail correspondence. A registered office is the business office address of the registered agent and may be the same as the entity’s place of business. It cannot, however, be a post office box that is part of a commercial mail or message service unless that commercial enterprise is the registered agent.

Generally, an individual Texas resident or an organization that is registered or authorized to do business in Texas with a business office at the same address as the entity’s registered office may consent to serve as the registered agent. Although an officer, owner, or employee may serve as an entity’s registered agent, an entity may not serve as its own registered agent. An entity may contract for the provision of registered agent services from another business entity, such as a service company. The secretary of state, or other governmental agency or authority, cannot serve as an entity’s registered agent.

If your entity is not able to provide its own registered agent and office, some businesses, known as service companies, provide registered agent services for a fee. Your attorney or accountant may also offer this service.

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III. TAXES

STATE OF TEXAS TAXES

Sales Tax

To sell taxable items or provide taxable services in Texas, all businesses must have a sales tax permit.

- The requirement to obtain Texas sales and use tax permit applies to individuals as well as corporations, firms, partnerships, and all other legal entities.
- For information on taxable services visit:
http://www.window.state.tx.us/taxinfo/taxpubs/tx96_259.html
- For information on obtaining a sales tax permit visit:
<http://www.window.state.tx.us/taxinfo/sales/questions.html>
- The sales and use tax rate in most of the Houston area is 8.25% (6.25% state, 1% city, 1% transit authority); certain food and drug items are exempt.

Texas Franchise Tax

The franchise tax is a margin tax imposed on each taxable entity chartered/organized in Texas or doing business in Texas.

- The tax applies to partnerships (general, limited and limited liability), corporations, limited liability companies, business trusts, professional associations, business associations, joint ventures and other legal entities.
- All taxable entities, including those that owe no tax, must file a Texas Franchise Tax Report.
- Franchise tax rates are applied to a taxable entity's *margin* unless the taxable entity qualifies for and elects to file using the E-Z Computation.
- *Margin* equals the *lowest* of three figures: total revenue less cost of goods sold, total revenue less compensation, or 70% of total revenue.
- A discount from tax liability is available to businesses with less than \$900,000 in total revenue.

Franchise tax rates are:

- 1.0% for most entities;
- 0.5% for entities engaged primarily in retail or wholesale trade; and
- 0.575% for entities with \$10 million or less in total revenue electing the E-Z Computation.

Exemptions: The following businesses are exempt from the franchise tax

- Sole proprietorships;
- General partnerships (excluding limited liability partnerships) owned directly and solely by natural persons;

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- Certain unincorporated passive entities, grantor trusts, estates of natural persons, escrows, real estate mortgage investment conduits (REMICs) and certain real estate investment trusts (REITs) where at least 90% of revenue is from passive investments (rent is not considered passive income);
- Nonprofit and other organizations currently exempt from the franchise tax;
- Businesses with \$300,000 or less in total revenue; and
- Businesses that owe less than \$1,000 in tax.

For additional information on franchise taxes, contact the Texas Comptroller of Public Accounts (<http://www.cpa.state.tx.us/>) at (800) 252-5555, (800) 252-1381, or by e-mail (tax.help@cpa.state.tx.us)

Ad valorem property tax for businesses

Under Texas law, all real property (land and buildings) and tangible personal property used for the production of income (business inventories, equipment, furnishings, etc.) is taxable at its January 1 market value unless exempt by law, or unless subject to special appraisal provisions or exemptions.

Ad valorem property tax is the primary source of local government revenue in the Houston region and provides funding for the services offered by the 10 counties, approximately 130 cities, 66 school districts, and a variety of special entities such as community colleges, port authorities, and hospital, flood control and municipal utility districts. Each of these entities is a tax jurisdiction that sets its own tax rate annually. The ad valorem tax rates vary depending on location of the property.

Example of rates for property located within the city limits of Houston (tax rates are expressed as dollars per \$100 taxable value):	Tax Rate
Tax Jurisdiction	
City of Houston	\$0.63875
Harris County and Related Entities	\$0.63660
Houston Community College	\$0.09717
Houston Independent School District	\$1.15670
TOTAL TAX RATE	\$2.52922

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Tax Bracket (\$)	Marginal Corporate Income Tax Rate
\$0 to \$50,000	15%
\$50,000 to \$75,000	\$7,500 + 25% Of the amount over 50,000
\$75,000 to \$100,000	\$13,750 + 34% Of the amount over 75,000
\$100,000 to \$335,000	\$22,250 + 39% Of the amount over 100,000
\$335,000 to \$10,000,000	\$113,900 + 34% Of the amount over 335,000
\$10,000,000 to \$15,000,000	\$3,400,000 + 35% Of the amount over 10,000,000
\$15,000,000 to \$18,333,333	\$5,150,000 + 38% Of the amount over \$15,000,000
\$18,333,333 and up	\$6,416,667 + 35% of the amount over \$18,333,333

Federal Corporate Income Tax Brackets 2013

In addition to the Texas corporate income tax, Texas corporations must also pay the **federal corporate income tax**. Like the personal income tax the federal business tax is bracketed based on income level, with eight corporate tax brackets.

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Unemployment Insurance

The general entry rate is 2.7%, charged on the first \$9,000 in earnings and then reassessed after six quarters and charged at the company's own experience rate.

Workers' Compensation Insurance

Workers' Compensation Insurance is not required by the state of Texas. However, companies have the following options if they chose to have this coverage: self insurance, state-operated Texas Workers' Compensation Insurance Fund or licensed private insurance company.

For additional information on state taxes, visit the Texas Comptroller of Public Accounts at <http://www.cpa.state.tx.us/> or call (800) 252-1381

FEDERAL INCOME TAX

The Internal Revenue Service has a web site for tax information for businesses.
www.irs.ustreas.gov

VI. WORKFORCE

EMPLOYER IDENTIFICATION NUMBER

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity or nonprofit organization. You may apply for an EIN in various ways, and now you may apply online using IRS Form SS4. This is a free service offered by the Internal Revenue Service (IRS) who assigns the EIN.

WORKFORCE SOLUTIONS (<http://www.wrksolutions.com/>)

Workforce Solutions provides comprehensive human resource services for businesses and residents of the 13-county Houston-Galveston Gulf Coast region.

- Workforce Solutions is funded by state and federal tax-dollars that are redirected back into the Gulf Coast region.
- Their services and assistance are free of charge.

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Unemployment Insurance information:

<http://www.wrksolutions.com/aid/unemploymentinsurance.html>

Workforce Solutions by industry:

<http://www.wrksolutions.com/employer/workforcesolutions.html>

Employer Resources: <http://www.wrksolutions.com/employer/employerresources.html>

- Workforce Solutions can help you find solutions for your human resource needs, including:
 - o Technical assistance with government regulations and programs
 - o Tax incentives and credits
 - o Training for your current employees
 - o They can also help you find qualified candidates who are trained and equipped with the right skills to fill your positions.

TEXAS WORKFORCE COMMISSION (TWC)

The Texas Workforce Commission, a state government agency, is available to supply companies with information on state labor issues, reporting requirements, and providing data on the local labor market. Their services are free of charge to employers and employees. Their website provides additional information on their services:

<http://www.twc.state.tx.us/customers/bemp/bemp.html>

- Read “Employers' Frequently Asked Unemployment Insurance (UI) Tax Questions” from the Texas Workforce Commission at <http://www.twc.state.tx.us/ui/tax/taxfaq.html>
- Learn about the workers' compensation system in Texas including employers' options for subscribing to the system, becoming self-insured or non-subscribing.
- Learn about the New Hire Reporting required in Texas by the Office of the Attorney General. <https://portal.cs.oag.state.tx.us/wps/portal/employer>
- Post open jobs, find employee applicant matches, view resumes, and access recruitment tools at <http://www.twc.state.tx.us/jobs/job.html>

The Texas Workforce Commission and its local partner **Workforce Solutions** can provide a wealth of information and assistance for your workforce needs.

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GENERAL LABOR INFORMATION FOR THE HOUSTON REGION:

- The minimum wage rate in Houston is the same as the Federal wage rate - \$7.25 per hour.
- The Houston area workforce in 2012 was more than 2.67 million workers.
- Union activity is low in Houston compared to other U.S. urban metros and therefore work-stoppages and labor negotiations are rarely an issue for local employers.
- The area also benefits from in-migration from other regions of U.S. and other countries, thereby providing ongoing additions to the workforce.
- Texas is a right-to-work state and therefore offers a choice of union as well as non-union workers. Only 3% of the non-governmental Houston area work force is unionized.
- There are no hiring quotas by race or any other category, but equal employment opportunity is the law – which means that employers cannot discriminate based on age, race, sex, religion, handicap, etc.
- Hiring – Many employers use newspaper advertising to find workers for their work force needs, along with the services of Workforce Solutions and TWC. For executive level positions or those requiring special skills, companies may utilize placement agencies also known as executive search firms or employment firms. Employers can also use temporary-employee agencies if they need short-term clerical, secretarial or accounting support.
- Wages – There is a wide range of wages in the Houston area based on the type of work, skills required and experience level.
- Fringe benefits – The fringe benefits paid by employers including social security payments, unemployment insurance, health insurance and retirement package etc., may range from 20% to 30% of wages. Each employer has the choice of selecting the package of benefits for its employees – with the exception of social security payments and unemployment insurance which are required by law.

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V. VISAS

NON-IMMIGRANT WORK VISAS

(Immigration attorneys in Houston can provide legal assistance in the matters of obtaining visas to work and live in the United States.)

B-1 Visa: Temporary Business Visitors

- This visa is issued to temporary business visitors who are in the U.S. on behalf of their employers.
- The B-1 visa is generally valid for six months and can be extended once the visa holder is in the U.S.
- The B-1 visa is granted to business visitors who wish to enter the U.S. for a temporary period to engage in legitimate business activities, such as meetings, conferences, negotiating contracts and consultations.
- B-1 visa holders may not work in the U.S. and may not be paid from a U.S. source.
- Individuals who seek to work in the U.S. should apply for a work visa, such as an H-1B, TN or L-1 visa.

L-1 Visas: Temporary Work Visa for Intracompany Transferee

- Most foreigners who work in the U.S. as intra-company transferees utilize the L-1 visa.
- Visas in this category are issued for a maximum five or seven years stay including renewals and allows the employee to work in the U.S. for his/her company temporarily in a managerial, executive or specialized knowledge category.
- The L-1 visa is available to individuals who are transferred to a U.S. company after having worked at least one of the last three years at a foreign subsidiary, affiliate, branch, or parent company.
- The L-1A visa is available to employees who will work in a managerial or executive capacity.
- The L-1B visa is available to employees who will work in a position requiring "specialized knowledge."

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The L-1A Visa

- o The L-1A Visa is typically granted for an initial period of three years.
- o An L-1A visa holder may extend his or her status for a maximum period of seven years.
- o A Manager or Executive who has held managerial/executive positions both with the U.S. company and the foreign affiliate, branch, subsidiary or parent is eligible to be sponsored for a Green Card without first being the beneficiary of an approved Labor Certification Application.
- o An individual in this situation is on the “fast-track,” since an employer can sponsor him or her without first having to test the labor market to determine if there are any qualified U.S. workers willing to fill the position that is offered to the L-1A worker.

The L-1B Visa

- o The L-1B Visa is typically granted for an initial period of three years.
- o An L-1B visa holder may extend his or her status for a maximum period of five years.
- o In order to establish that the L-1B position requires “specialized knowledge,” an L-1B employer must show that the position requires knowledge or experience that is not typically transferable in a regular training interval.
- o Employers seeking to sponsor an L-1B employee for a Green Card must first file a Labor Certification on behalf of the employee. The Labor Certification tests the labor market to see whether there are any qualified U.S. workers willing to do the job that is offered to the L-1B employee.

E-1, E-2 Visas: Treaty Investor Visa

- Citizens of countries with which the United States has a treaty relationship who are coming to the U.S. to engage in trade or to direct or develop the operations of a business in which they have made substantial investments can apply for an E-1 or E-2 visa.
- The dollar amount of cash investment normally should exceed \$100,000 – depending on the type of business (new or existing), and create job opportunities for U.S. workers.
- This visa must be renewed every two years. However, unlimited two-year extensions of stay are typically granted for E visas as long as valid status is maintained.

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E-1 Visa are used for:

- o Personnel including executives, managers and specialists of treaty country companies operating in the U.S.
- o Nationals of treaty countries seeking to enter the U.S. to carry out substantial trade. The international trade between your home country and the U.S. must be 'substantial' in the sense that there is a sizable and continuing volume of trade. More than 50 per cent of the international trade involved must be between the U.S. and your home country.
- o Immediate family members of E-1 visa holders.

E-2 Visa are used for:

- o Entrepreneurs from treaty countries investing substantially in a U.S. enterprise.
- o Nationals of treaty countries entering the U.S. to develop and direct investments from the treaty country.
- o Nationals of treaty countries entering the U.S. to develop and direct the operations of an enterprise in which they have invested, or they are actively in the process of investing a substantial amount of capital
- o Immediate family members of E-2 visa holders.
- o Companies in treaty countries to send key personnel to manage the U.S. affiliate or branch, or to set up a U.S. company.

H-1B Visa: Temporary Employment of Foreign Workers in Specialty Occupations by U.S. Employers

- The H-1B Visa is used by foreign professionals who are sponsored by a U.S. employer to work in a specialty occupation in the U.S.
- An H-1B visa is generally valid for three years and can be extended for an additional three-year period.
- An employer may sponsor an H-1B employee for a Green Card, if desired.
- In order to qualify for an H-1B visa, the applicant must hold at least a Bachelor's degree and the U.S. position must require at least a Bachelor's degree.
- The U.S. employer must agree to pay the H-1B employee at least the prevailing wage earned by similarly employed workers in the area of employment and must make other attestations as stipulated by the Department of Labor.
- Currently only 65,000 H-1B visas are issued each year.
- Applications must be filed with both U.S. Citizenship & Immigration Services and the Department of Labor.

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H-3 Visa: Trainee Visa

- The H3 trainee visa category is strictly intended for foreign nationals seeking on-the-job training provided by a U.S. company or a U.S. government agency in order to further their career in their home country.
- In order to be eligible for an H3 visa, similar training opportunities must not exist in the foreign national's home country.
- A foreign national is not eligible for this classification if they are coming to the United States for graduate education or training. If this is the case, J-1 and F-1 classifications may be more appropriate.
- An H3 visa holder can take part in a training program offered by a U.S. company or U.S. government agency, and therefore can work legally in the United States, as long it is not productive employment.
- In order to apply for an H-3 visa at a U.S. consulate overseas, the H3 visa applicant must be the beneficiary of an approved visa petition. In other words, before the trainee can apply for the H3 visa, the company which is sponsoring the training must file a petition with USCIS. Generally, it takes USCIS two (2) to four (4) months to approve the visa petition. Once the petition is approved, the applicant must schedule an appointment to apply for the visa at a nearby consulate.
- An H3 visa holder can travel in and out of the United States without restrictions, or can stay in the United States continuously until the visa expires.
- H-4 visas are available for accompanying spouses or unmarried children under the age of twenty-one (21). H-4 visa holders cannot work in this country but they can study in U.S. primary and secondary schools

TN Visa: Temporary Work Visa for Citizens of Canada & Mexico

- TN status is available to citizens of Canada and Mexico who will work in the U.S. in a designated professional capacity for a temporary period.
- In order to qualify for this status, individuals must be coming to the U.S. in order to work in an occupation that appears on a list of professions designated under the North American Free Trade Agreement (NAFTA). With minor exceptions, these positions require the TN employee to hold at least a Bachelor's degree.
- Unlike H-1 or L-1 status, there is no limit on the amount of time an individual may hold TN status. However, in order to qualify for extensions, applicants must continue to show that they intend to leave the U.S. at the expiration of their temporary stay.
- Since Canadians are visa exempt, applications for TN status are made at the border. Mexicans, who are required to hold a visa in order to enter the U.S., must first apply for a visa at a U.S. consulate in Mexico before they can apply for admission at a U.S. port of entry.

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- TN status is a convenient alternative to other employment-based visa categories, which are often more expensive and involve more rigorous requirements and a more complicated application process.

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VI. INCENTIVES

Texas has a low tax burden compared to other states in the U.S. and is consistently ranked as one of the best states for businesses. Due to Texas' favorable tax structure, the majority of incentives are based on capital investment and job creation.

Texas Enterprise Fund

The Governor, with approval of the Lieutenant Governor and Speaker of the House, can award cash grants for economic development, infrastructure development, community development, job training programs and to provide business incentives to companies relocating or expanding into the state.

- Projects that are considered for Enterprise Fund support must demonstrate a project's worthiness, maximize the benefit to the State of Texas and realize a significant rate of return of the public dollars.
- Award amounts have been in the range of \$1,000 up to \$10,000 per job created, with an average of \$6,000 per new job in Texas.

Property Tax Abatements

Cities and counties within the Houston area offer abatements that exempt part of the increased value in real or personal property from taxation.

- Maximum tax abatement is 100% and cannot exceed 10 years in length.
- Terms of the abatement agreement and the minimum required investments and job creation vary among the taxing jurisdictions.
- Harris County, the largest county in the region requires the creation of 25 new jobs and a minimum of \$1 million in abatable investment.

Skills Development Fund

Grants are available to train employees through the state's community colleges.

- This fund assists businesses and trade unions by financing the design and implementation of customized job training programs.
- Typically training grants have averaged \$1,200 per trainee.

Cash Grants

Smaller cities in the Houston region may offer cash grants to companies.

- The cash grants are based on the number of jobs created and the average salary paid.
- In determining the cash grants, the cities also consider the capital investment made by the company on their facility and /or infrastructure.

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Texas Enterprise Zone Program

Local communities partner with the State of Texas to promote job creation and capital investment in economic distressed areas by providing a rebate of Sales & Use Taxes paid by the employer.

- Employers who commit to creating or retaining permanent jobs, make capital investment, and fill at least 25 percent of its new jobs with individuals who are either economically disadvantaged or residents of an enterprise zone can receive State Sales & Use Tax refunds on items purchased for their project site.
- The benefits are based upon job creation or retention and capital investment for a period of five years.

Green Building Tax Abatement

Harris County and the City of Houston offer a commercial green-building tax abatement for up to 10 years on new construction receiving certification through the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) program.

- The tax abatements will be based on the level of LEED certification – basic, silver, gold or platinum – and will be limited to the amount of additional cost entailed in building to that level.

Freeport Tax Exemption

Taxing authorities in Texas are allowed to exempt from ad valorem property taxes all business inventories acquired in or brought into Texas for fabrication, assembling, manufacture, storage or processing and then exported outside the state within 175 days.

- Many Houston area cities, counties and school districts have adopted the Freeport Tax Exemption.
- Freeport eligible items include goods, wares, merchandise, ores, and certain aircraft and aircraft parts.
- The City of Houston, several school districts and numerous other jurisdictions in the region offer the exemption.

Manufacturing Sales Tax Exemption on Equipment

Businesses engaged in manufacturing, processing, fabricating or repairing tangible equipment enjoy a sales tax exemption on the purchase of machinery or equipment used or consumed in or during the actual manufacturing, processing, or fabrication operation.

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Sales Tax Exemption on Utilities used in Manufacturing

Companies that use more than 50 percent of their utilities in the manufacturing, processing, or fabricating of products for resale may apply for a sales tax exemption on their applicable utilities

Tax Abatements for Pollution Control Equipment

Property owners in Texas are entitled to an exemption from ad valorem property taxes on facilities, devices and equipment used to control air, water or land pollution.

- To qualify for this property tax exemption, the device or equipment must meet or exceed the environmental rules and regulations adopted by any environmental protection agency of the United States or the Texas Commission on Environmental Quality (TCEQ).

Foreign Trade Zones (FTZs)

FTZs are available in the Houston region and they allow companies dealing in foreign trade to delay payment of U.S. Custom's import duties until their goods and merchandise actually enter U.S. commerce.

- Sites are typically in or near a U.S. Customs port of entry where foreign and domestic merchandise is generally considered to be in international trade.
- Goods can be brought into a zone without formal Customs entry or without incurring Customs duties or excise taxes unless and until they are imported into the United States.

Renewable Energy Systems Property Tax Exemption

The Texas property tax code allows an exemption of the amount of the appraised property value that arises from the installation or construction of a solar or wind-powered energy device that is primarily for the production and distribution of thermal, mechanical, or electrical energy for on-site use, or devices used to store that energy.

- The deduction is available for commercial, industrial and residential projects.
- The property tax exemption is 100 percent of the appraised cost of the eligible renewable energy system.
- There is no maximum dollar amount on this exemption and no system size has been specified.
- The system must be used primarily for on-site energy needs and therefore the property tax exemption stays with the property and is transferrable to any new owners of the property

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- * Start up services
- * Registering your company in the US
- * Organizational methods
- * The search for office space and commercial leases
- * Acquisition of your EIN
- * Validation of licenses and mandatory licenses
- * Setting up accounts
- * Validation of your fiscal situation
- * Takeover of a business
- * Validation of the purchase of business
- * Validation of the commercial lease
- * Launch of a new franchise concept
- * Development of a new distribution network with local offices
- * Acquisition of your visa
- * Development of your business plan
- * The business plan is the key in obtaining an investor visa. We will assist with your business plan which will give you the opportunity to obtain the E2 visa
- * The translation of your commercial documents, other documents, marketing contract documents and website.
- * Supplier search
- * Mandatory insurance search and negotiation of your contracts
- * Recruitment
- * Website
- * Marketing plan
- * "Americanization " of your products

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Addendum

STATE INDIVIDUAL INCOME TAXES (Tax rates for tax year 2013 -- as of January 1, 2013)

	TAX RATE RANGE (in percents)		Number of Brackets	INCOME BRACKETS		PERSONAL EXEMPTIONS			FEDERAL INCOME TAX DEDUCTIBLE
	Low	High		Lowest	Highest	Single	Married	Dependents	
ALABAMA	2.0	- 5.0	3	500 (b)	- 3,001 (b)	1,500	3,000	500 (e)	Yes
ALASKA	No State Income Tax								
ARIZONA	2.59	- 4.54	5	10,000 (b)	- 150,001 (b)	2,100	4,200	2,100	
ARKANSAS (a)	1.0	- 7.0	6	4,099	- 34,000	23 (c)	46 (c)	23 (c)	
CALIFORNIA (a)	1.0	- 12.3 (f)	9	7,455 (b)	- 500,000 (b)	104 (c)	208 (c)	321 (c)	
COLORADO	4.63		1	----Flat rate----		3,900 (d)	7,800 (d)	3,900 (d)	
CONNECTICUT	3.0	- 6.7	6	10,000 (b)	- 250,000 (b)	13,000 (g)	24,000 (g)	0	
DELAWARE	2.2	- 6.75	6	5,000	- 60,001	110 (c)	220 (c)	110 (c)	
FLORIDA	No State Income Tax								
GEORGIA	1.0	- 6.0	6	750 (h)	- 7,001 (h)	2,700	5,400	3,000	
HAWAII	1.4	- 11.00	12	2,400 (b)	- 200,001 (b)	1,040	2,080	1,040	
IDAHO (a)	1.6	- 7.4	7	1,380 (b)	- 10,350 (b)	3,900 (d)	7,800 (d)	3,900 (d)	
ILLINOIS	5.0		1	----Flat rate----		2,000	4,000	2,000	
INDIANA	3.4		1	----Flat rate----		1,000	2,000	2,500 (i)	
IOWA (a)	0.36	- 8.98	9	1,494	- 67,230	40 (c)	80 (c)	40 (c)	Yes
KANSAS	3.0	- 4.90	2	15,000 (b)		2,250	4,500	2,250	
KENTUCKY	2.0	- 6.0	6	3,000	- 75,001	20 (c)	40 (c)	20 (c)	
LOUISIANA	2.0	- 6.0	3	12,500 (b)	- 50,001 (b)	4,500 (j)	9,000 (j)	1,000	Yes
MAINE (a)	0.0	- 8.0	3	5,200 (b)	- 20,900 (b)	3,900	7,800	3,900	
MARYLAND	2.0	- 5.75	8	1,000 (k)	- 250,000 (k)	3,200	6,400	3,200	
MASSACHUSETTS (a)	5.25		1	----Flat rate----		4,400	8,800	1,000	
MICHIGAN (a)	4.25		1	----Flat rate----		3,763	7,526	3,763	
MINNESOTA (a)	5.35	- 7.85	3	24,270 (l)	- 79,730 (l)	3,900 (d)	7,800 (d)	3,900 (d)	
MISSISSIPPI	3.0	- 5.0	3	5,000	- 10,001	6,000	12,000	1,500	
MISSOURI	1.5	- 6.0	10	1,000	- 9,001	2,100	4,200	1,200	Yes (m)
MONTANA (a)	1.0	- 6.9	7	2,700	- 16,400	2,240	4,480	2,240	Yes (m)
NEBRASKA (a)	2.46	- 6.84	4	2,400 (b)	- 27,001 (b)	126 (c)	252 (c)	126 (c)	
NEVADA	No State Income Tax								
NEW HAMPSHIRE	State Income Tax of 5% on Dividends and Interest Income Only								
NEW JERSEY	1.4	- 8.97	6	20,000 (n)	- 500,000 (n)	1,000	2,000	1,500	
NEW MEXICO	1.7	- 4.9	4	5,500 (o)	- 16,001 (o)	3,900 (d)	7,800 (d)	3,900 (d)	
NEW YORK	4.0	- 8.82	8	8,200 (b)	- 1,029,250 (b)	0	0	1,000	
NORTH CAROLINA	6.0	- 7.75	3	12,750 (p)	- 60,000 (p)	1,150	2,300	1,150	
NORTH DAKOTA (a)	1.51	- 3.99	5	36,250 (q)	- 398,350 (q)	3,900 (d)	7,800 (d)	3,900 (d)	
OHIO (a)	0.587	- 5.925	9	5,200	- 208,500	1,650 (r)	3,300 (r)	1,650 (r)	
OKLAHOMA	0.5	- 5.25	7	1,000 (s)	- 8,701 (s)	1,000	2,000	1,000	
OREGON (a)	5.0	- 9.9	4	3,250 (b)	- 125,000 (b)	188 (c)	376 (c)	188 (c)	Yes (m)
PENNSYLVANIA	3.07		1	----Flat rate----		-----None-----			
RHODE ISLAND (a)	3.75	- 5.99	3	58,600	- 133,250	3,750	7,500	3,750	
SOUTH CAROLINA (a)	0.0	- 7.0	6	2,850	- 14,250	3,900 (d)	7,800 (d)	3,900 (d)	
SOUTH DAKOTA	No State Income Tax								
TENNESSEE	State Income Tax of 6% on Dividends and Interest Income Only								
TEXAS	No State Income Tax								
UTAH	5.0		1	----Flat rate----		(t)	(t)	(t)	
VERMONT (a)	3.55	- 8.95	5	35,350 (u)	- 388,350 (u)	3,900 (d)	7,800 (d)	3,900 (d)	
VIRGINIA	2.0	- 5.75	4	3,000	- 17,001	930	1,860	930	
WASHINGTON	No State Income Tax								
WEST VIRGINIA	3.0	- 6.5	5	10,000	- 60,000	2,000	4,000	2,000	
WISCONSIN (a)	4.6	- 7.75	5	10,750 (v)	- 236,600 (v)	700	1,400	700	
WYOMING	No State Income Tax								
DIST. OF COLUMBIA	4.0	- 8.95	4	10,000	- 350,000	1,675	3,350	1,675	

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