

Protections for Translators – Section 2278

- Broad Exemption under **Professional Services**
- Translators can be Individual Sole Proprietors
- Must meet 6 Factors



Language Service Companies with Significant Translation Portfolios – Section 2276 – B2B

- Exemption under B2B
- Linguists can be individual Sole Proprietors
- Many parallels with Professional Services Exemption



AB 2257 and Translators



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Two Pathways to Exemption



- **Section 2778** – contracting for professional services

OR

- **Section 2776** – working in a business-to-business (B2B) relationship



Section 2778 (6) (b) (2) (J):

(2) “Professional services” means services that meet any of the following:

[(A) ... (I)]

*(J) Services provided by a freelance writer, **translator**, editor, copy editor, ...*



Professional Service Requirements

- An “individual” includes an individual providing services as a **sole proprietor or other business entity**.
- Individual maintains a **business location**, which may include the individual’s residence.
- Individual has the **required business license or business tax registration** in order to provide the services under the contract.



Professional Service Requirements

- Individual has the ability to **set or negotiate their own rates**
- Individual has the ability to **set the individual's own hours.**
- Individual is **customarily engaged** in the same type of work performed under contract with another hiring entity or **holds themselves out to other potential customers** as available to perform the same type of work.



Professional Service Requirements

- Work is performed under a **written contract**
- Provider is **not directly replacing** an employee who performed the same work
- Work is **not performed at the hiring entity's business location**
- Provider is **not restricted from working** for more than one hiring entity



OK, but what does all of this mean for me?

1. Set up a sole proprietorship or other business entity

- Translators can operate as sole proprietors. You **do not** have to incorporate or form an LLC
 - Setting up another business entity could be beneficial to your business
- If doing business under your own name (e.g., John Smith), there is no name filing
- You might decide to file a Fictitious Business Name Statement with your county

Set up a sole proprietorship

If you're a sole proprietor, you run your own business as an individual and are self-employed.

To establish a sole proprietorship, you must:

- Choose a business name, for tax purposes, even if it's your name
- Obtain licenses, permits, and zoning clearance
 - Visit [CalGold](#) for more information

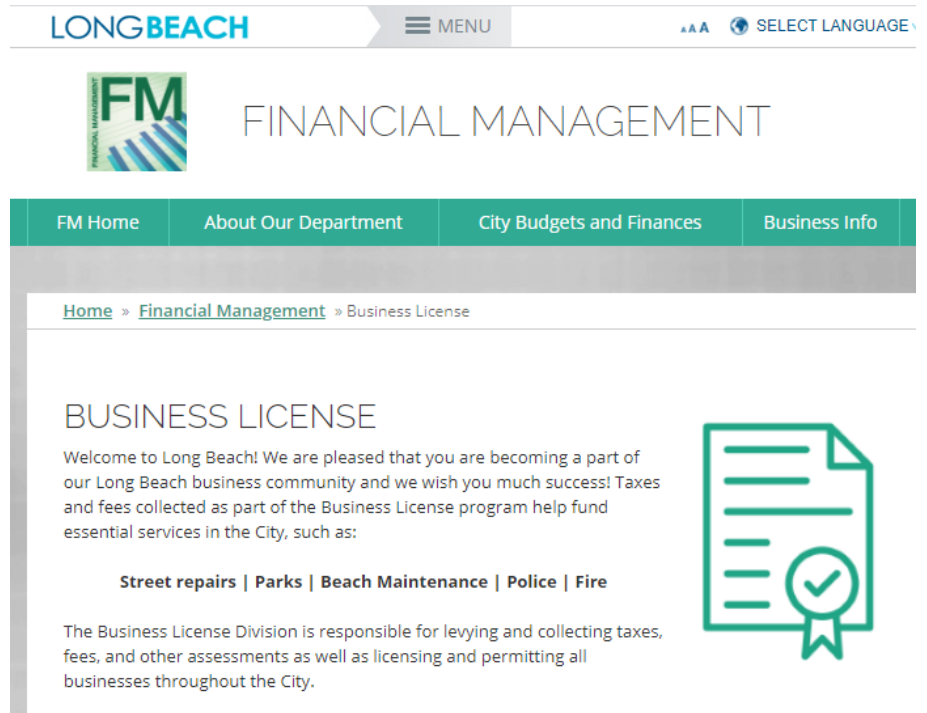
You may:

- File a fictitious business name statement with the county recorder
- Obtain an Employer Identification Number
 - Visit the [Employment Development Department](#) for more information

Source: CA Franchise Tax Board

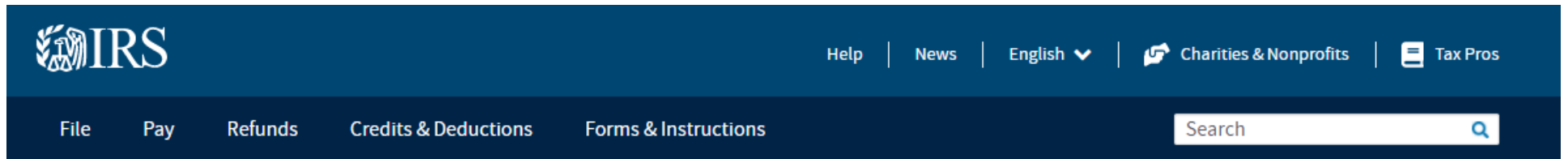
2. Get a business license

- Check requirements in your jurisdiction.



The screenshot displays the website for Long Beach Financial Management. At the top, the "LONG BEACH" logo is on the left, a "MENU" button is in the center, and "SELECT LANGUAGE" is on the right. Below the logo is a green "FM" icon with a stack of blue papers. The main heading is "FINANCIAL MANAGEMENT". A green navigation bar contains four items: "FM Home", "About Our Department", "City Budgets and Finances", and "Business Info". Below this is a breadcrumb trail: "Home » Financial Management » Business License". The main content area is titled "BUSINESS LICENSE" and includes a welcome message: "Welcome to Long Beach! We are pleased that you are becoming a part of our Long Beach business community and we wish you much success! Taxes and fees collected as part of the Business License program help fund essential services in the City, such as:". A list of services follows: "Street repairs | Parks | Beach Maintenance | Police | Fire". A final paragraph states: "The Business License Division is responsible for levying and collecting taxes, fees, and other assessments as well as licensing and permitting all businesses throughout the City." To the right of the text is a green icon of a document with a checkmark.

3. Get a federal employment ID number

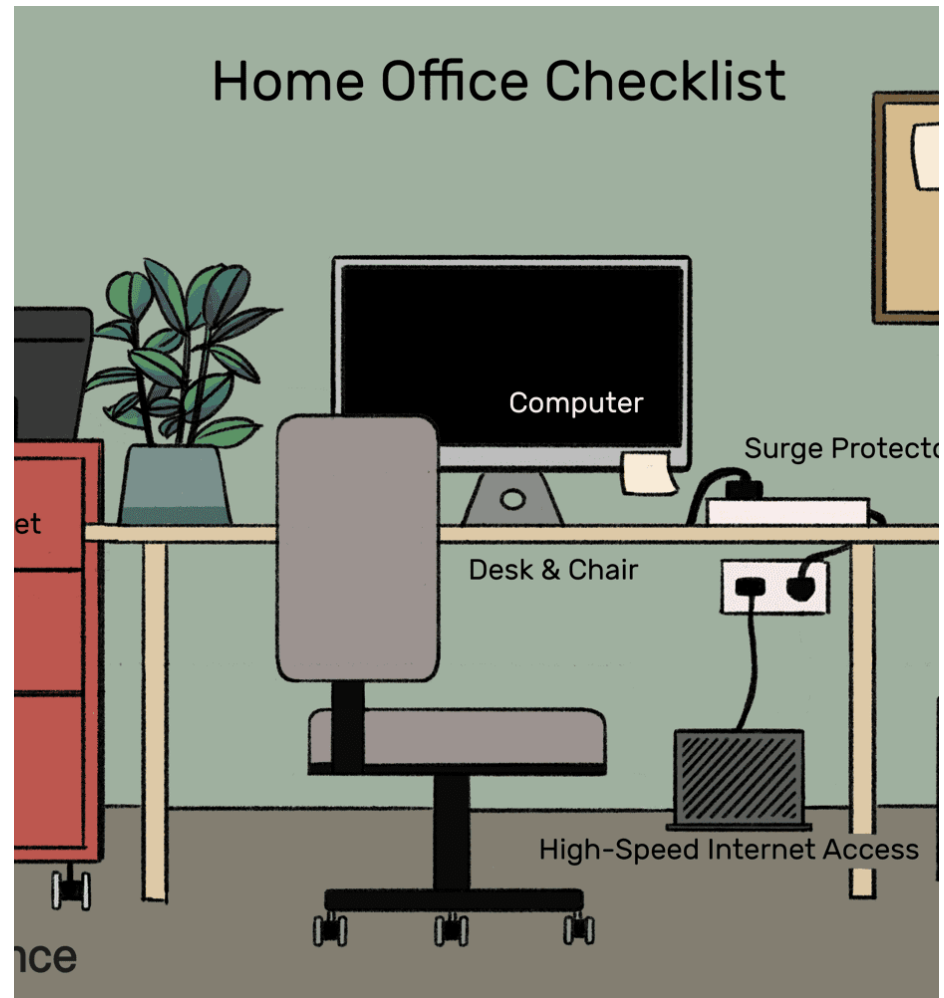


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Apply for an Employer Identification Number (EIN) Online

English | [Español](#)

4. Set up a home office



5. Advertise your services



BK Translation LLC

Website Save

Hours: **Closed** · Opens 8AM Thu ▾

⚠ Hours or services may differ

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BK TRANSLATION
Helping you find the right words



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Online Directories Listing

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6. Educate, empower, professionalize

- Think of yourself as a business, not a contractor. Feel empowered to set and negotiate rates and hours
- Learn the requirements of AB 2257 backwards and forwards
- Join a professional association
- Help spread the word!
- Do you feel misclassified? Act!