



# INCORPORATING YOUR BUSINESS

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**YOUR PRESENTER**

# Enoch St Clair

Entrepreneur / Accountant

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Born in Nassau, Bahamas of Haitian decent I started my first business March 2009, T&E Investments Inc which owns St. Clair Financial Services.

I later started another business with my wife St. Clair Investment Group LLC where we would invest in different business ventures. Those businesses included Legacy Barbershop and SIG Realty LLC. I am also on the board of Eatwell Exchange Inc. EatWell Exchange, Inc. is a 501 (c)(3) nonprofit organization that builds partnerships both locally and globally to help increase nutritional well-being for all.



## Business:

- T&E Investment Inc.
- St. Clair Financial Services
- St. Clair Investment Group LLC
- Legacy Barbershop
- SIG Realty LLC
- Board of Directors, EatWell Exchange Inc.

## Fun Facts:

- Collects Foreign Currencies
- Enjoys Traveling
- Came to the US by boat at 1 month old

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# SEMINAR AGENDA

- Why Incorporate?

- We will discuss the advantages and disadvantages of incorporating yourself or business.
- **The Different Entity Types.**
  - We will discuss the different entity types and how each entity varies from each other.
- **Step by Step guide on Incorporating in Florida.**
  - We will walk through the State of Florida website line by line using a sample company to incorporate.
- **Step by Step guide to obtaining a Tax ID Number.**
  - We will walk through the Internal Revenue Service website and walk through line by line in setting a Tax ID number for your business.
- **Tax Planning and Strategies for each Entity.**
  - We will discuss the tax advantages and disadvantages of each entity.
- **Question and Answer Session**



# WHO ARE BUSINESS OWNERS?

Circle all of the business owners.

- |               |                  |                |            |                 |
|---------------|------------------|----------------|------------|-----------------|
| UBER DRIVER   | REALTOR          | ARTIST         | FOOD TRUCK | GROUNDS KEEPER  |
| CEO OF UBER   | EXOTIC DANCER    | POLICE OFFICER | CHEF       | INSTAGRAM MODEL |
| CLUB PROMOTER | PIANO INSTRUCTOR | BEAUTICIAN     | TEACHER    | MUSICIAN        |

Based on your selections above, what are some of the shared characteristics of a business owner?

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# WHY INCORPORATE?

## Advantages

**Personal asset protection.** Both corporations and LLCs allow owners to separate and protect their personal assets. In a properly structured and managed corporation or LLC, owners should have limited liability for business debts and obligations. Corporations generally have more corporate formalities than an LLC that must be observed to obtain personal asset protection.

**Additional credibility and name protection.** Adding "Inc." or "LLC" after your business name can add instant legitimacy and authority. Consumers, vendors, and partners frequently prefer to do business with an incorporated company. In most states, other businesses may not form an entity or use a trade name that is the same as your corporate name. This benefits the business legally and helps in brand-building and marketing.

**Perpetual existence.** Corporations and LLCs can continue to exist even if ownership or management changes. Sole proprietorships and partnerships just end if an owner dies or leave the business.

**Tax flexibility.** An LLC is taxed at the same rate as a sole proprietorship while providing limited exposure to personal liability. Though profit and loss typically pass through an LLC and get reported on the personal income tax returns of owners, an LLC can also elect to be taxed as a corporation. When an entrepreneur sets up a corporation, he or she is taxed on both the individual and corporate levels. However, a corporation can avoid double taxation of corporate profits and dividends by electing Subchapter S tax status.

**Deductible expenses.** Both corporations and LLCs may deduct normal business expenses, including salaries, before they allocate income to owners.

## Disadvantages

Even though there are several advantages to incorporating your business, there are also additional requirements that must be met by the business owner, which some consider disadvantages. The following are some of these requirements.

### Extra Tax Return and Annual Report

A corporation is required to file its own tax return. This is a bit longer and more complicated than the form required for a sole proprietorship or partnership. Additional expenses for the services of an accountant may be required.

### Separate Records

The shareholders of a corporation must be careful to keep their personal business separate from the business of the corporation. The corporation must have its own records, keep minutes of meetings, and keep all corporate money separate from personal money.

### Extra Expenses

There are additional expenses in operating a corporation. People who employ an attorney to form their corporation pay a lot more than people who form a corporation on their own. Also, in some states, a shareholder may have to pay unemployment or workers' compensation insurance for him- or herself, which he or she would not have to pay as a sole proprietor.

### Checking Accounts

Under federal law, checks made out to a corporation cannot be cashed by a shareholder. They must be deposited into a corporate account. [Some banks have higher fees just for corporations.](#)

# BUSINESS ENTITY TYPES

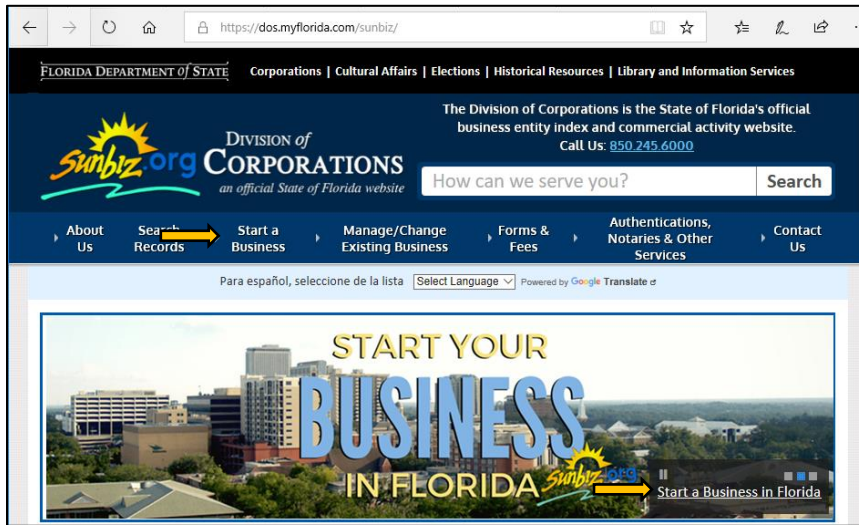
	Advantages	Disadvantages
<b>Sole Proprietorship</b>	<ul style="list-style-type: none"> <li>You're the boss</li> <li>You keep all the profits</li> <li>Start-up costs are low</li> <li>You have maximum privacy</li> <li>Establishing and operating your business simple</li> <li>It's easy to change your legal structure later if circumstances change</li> <li>You can easily shut down your business</li> </ul>	<ul style="list-style-type: none"> <li>You have unlimited liability for debts as there's no legal distinction between private and business assets</li> <li>Your capacity to raise capital is limited</li> <li>All the responsibility for making day-to-day business decisions is yours</li> <li>It can be hard to take holidays</li> <li>You're taxed as a single person</li> <li>The life the business is limited</li> </ul>
<b>Partnerships</b>	<ul style="list-style-type: none"> <li>Two heads (or more) can be better than one</li> <li>Your business is easy to establish, and start-up costs can be shared</li> <li>More capital is available for the business</li> <li>You'll have a greater borrowing capacity</li> <li>There is opportunity for income splitting, an advantage of importance due to tax savings</li> <li>Partners' business affairs are private</li> <li>There is limited external regulation</li> <li>It's easy to change your legal structure later if circumstances change.</li> <li>The business can continue even if a partner resigns or passes away.</li> </ul>	<ul style="list-style-type: none"> <li>You have unlimited liability for debts as there's no legal distinction between private and business assets</li> <li>Could difficult to withdraw money from the business</li> <li>Dispute among the Partners</li> <li>The life of the business is limited</li> <li>Restriction on transfer of Interest.</li> </ul>
<b>Limited Liability Company (LLC) – Single Member</b>	<p><i>All advantages of a Sole – Proprietorship with the added advantages below.</i></p> <ul style="list-style-type: none"> <li>Protection - you have limited liability where debts apply to business asset only.</li> <li>Single Member LLC taxes are prepared in conjunction with the owner's personal tax return.</li> </ul>	<ul style="list-style-type: none"> <li>Your capacity to raise capital is still limited, but you more opportunities as an LLC.</li> <li>All the responsibility for making day-to-day business decisions is yours.</li> <li>It can be hard to take holidays.</li> <li>You are still taxed as a single person</li> <li>The life of the business can be limited, but it can also be sold or transfer to another person.</li> <li>Increased paperwork for starting, maintaining and closing the business.</li> </ul>
<b>Limited Liability Company (LLC) – Multi Member</b>	<p><i>All advantages of a partnership with the added advantages below.</i></p> <ul style="list-style-type: none"> <li>Protection - partners have limited liability where debts apply to their portion of business assets.</li> </ul>	<p><i>All disadvantages of a partnership with these differences below.</i></p> <ul style="list-style-type: none"> <li>The life of the business can be limited, but it can also be sold or transfer to another person.</li> </ul>

	<ul style="list-style-type: none"> <li>• Pass-Through Taxation – each member of LLC does not pay business tax at the federal level, it is pass through on their personal taxes.</li> <li>• You can sell or transfer your part of the company.</li> </ul>	<ul style="list-style-type: none"> <li>• Pass-Through Taxation – each member of LLC does not pay business tax at the federal level, it is pass through on their personal taxes.</li> <li>• Increased paperwork for starting, maintaining and closing the business.</li> </ul>
<b>C – Corporations (Inc)</b>	<ul style="list-style-type: none"> <li>• The company truly stands on its' own and pays its own taxes.</li> <li>• Benefits from a lower tax rate on the first \$75,000 of business income.</li> <li>• Can have an unlimited number of members and shareholders.</li> <li>• Greater capacity to raise capital due to the apply to sale stock.</li> <li>• Governed by bylaws created by its members.</li> <li>• It has more structure than any other entity.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for double taxation – the company pays taxes on a corporate level and its shareholders pay taxes on their share of profit.</li> <li>• Requires a great deal of formality, shareholder meetings, board of directors and corporate minutes.</li> <li>• Expensive to start and maintain.</li> <li>• Corporate losses cannot be deducted from personal taxes</li> </ul>
<b>S – Corporations (Inc)</b>	<ul style="list-style-type: none"> <li>• Pass – through taxation, income is passed onto the shareholders of the company instead of being taxed at the corporate level.</li> <li>• Tax savings where owners can minimize self-employment taxes with this type of business structure.</li> <li>• Corporate losses can be deducted from personal taxes as pass – through loss.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to 100 shareholders.</li> <li>• May have to pay taxes on income that is being re-invested back into the company.</li> <li>• Expensive to start and maintain.</li> </ul>
<b>Non - Profit Corporation (Inc)</b>	<ul style="list-style-type: none"> <li>• Tax exemption on federal, state and local levels</li> <li>• Eligibility for public and private grants</li> <li>• The corporation stands on its own and has a formal structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost – very expensive to start.</li> <li>• Most require the need of a professional. (Accountant, Attorney etc.)</li> <li>• Detailed records and annual filing are required to keep status.</li> <li>• Scrutiny by the public – the public may obtain copies of a nonprofit organization's state and federal filings to learn about salaries and other expenditures.</li> </ul>



# INCORPORATING YOUR BUSINESS

Your new business journey begins by going to [www.sunbiz.org](http://www.sunbiz.org)



[CLICK] Start a business

[CLICK] File or Correct Articles of Organization



Make sure to read and [CHECK] the box regarding the disclaimer.

[CLICK] Start New Filing



# Florida Limited Liability Company Filing

## Filing Information

Your corporation start date

If an effective date is required for this filing, enter here / /  (MM/DD/YYYY) [What is an effective date?](#)

Required Filing Fees: \$125.00

Your State Filing Fees  
Certificate of Status Fee  
Certified Copy Fee

Certificate of Status  \$5.00 (Optional) [What is a certificate of status?](#)

Certified Copy  \$30.00 (Optional) [What is a certified copy?](#)

Limited Liability Company Name   
(Name must end with "Limited Liability Company", "L.L.C." or "LLC")

Your company name.  
-must not be the same name as another LLC.  
-must end with "Limited Liability Company", "L.L.C." or "LLC"

## Principal Place of Business

 (The principal address must be a **street** address)

Address   
Suite, Apt. #, etc.   
City, State ,   
Zip Code & Country

A physical address – PO Boxes are not allowed

## Mailing Address

If your limited liability company mailing address is the same as the principal address above, please check the box below. Otherwise, enter your limited liability company mailing address.

Mailing address same as principal address

Address   
Suite, Apt. #, etc.   
City, State ,   
Zip Code & Country

A mailing address where you want all correspondence sent.

## Name And Address of Registered Agent

[What is a registered agent?](#)

Name , , ,   
Last Name First Name Initial Title (Sr., Jr., etc.)

- OR -

Business to serve as RA  (Must be different from entity name being filed)

Address  (PO Box not acceptable)  
Suite, Apt. #, etc.   
City, State , FL  
Zip Code & Country  US

The Registered Agent can be an individual or ANOTHER business entity.

The Registered Agent must type their name in the 'Registered Agent Signature' block below. RA signature MUST be an individual name. If the RA is a business entity, an individual must sign on the entity's behalf. Do not enter the name of the entity you are attempting to file as Registered Agent. A business entity cannot serve as its own RA.

Registered Agent Signature

This signature must be that of the individual "signing" this document electronically or be made with the full knowledge and permission of the individual, otherwise it constitutes **forgery** under s. [831.06](#), F.S.

Type name of Registered Agent for Signature

A registered agent is the person that will accept service of process on behalf of a business entity. The registered office is the address where the registered agent is located during normal business hours. The registered office address must be a Florida street address. A post office box is not acceptable.

The registered agent may be an individual or another business entity with an active Florida filing or registration on our records. A business entity cannot serve as its own registered agent; however, an individual associated with a particular business entity may serve as the entity's registered agent. In other words, ABC ENTERPRISES, INC. cannot list itself (ABC ENTERPRISES, INC.) as its own registered agent. However, Robert Smith, who is the president of ABC ENTERPRISES, INC., may serve as the registered agent for ABC ENTERPRISES, INC.

### Any Other Provision(s) - Optional (Purpose, Statements, etc.)

(Maximum of 240 characters.)

This is where you would put the purpose of your business. This part is optional, or you can put "Any Legal Purpose" to be general.

240 characters remaining

### Notice of Annual Report



This Limited Liability Company (LLC) must file an Annual Report with the Division of Corporations between January 1st and May 1st of every year to maintain "active" status. The LLC's first annual report will be due between January 1st and May 1st of the calendar year following the year the LLC is formed and must be filed [online](#). The fee to file a LLC Annual Report is \$138.75. A late fee of \$400 is applied if the report is filed after May 1st. Reminder notices to file the Annual Report will be sent to the e-mail address you provide in these articles. File early to avoid the late fee.

### Correspondence Name And E-mail Address [Why do you need my e-mail address?](#)

Please enter your e-mail address carefully and verify that it is correct. This is the address correspondence pertaining to this filing and future annual report notices will be sent.

Name

E-mail Address

Re-enter E-mail Address

Name and email address to where you want your correspondence sent.

**Signature of a member or an authorized representative.**

Electronic Signature

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s. [817.155](#), F.S. I acknowledge that I have read the above "Notice of Annual Report" statement and understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this LLC and every year thereafter to maintain "active" status.

**Why do they need my e-mail address?**

This is the address all correspondence, certified copies, and certificates of status pertaining to this filing will be sent. It is also the address we will use for all future annual report filing notices unless you change the entity's e-mail address on our records. You may change the entity's e-mail address on our records at any time. Simply visit our website and click on the "Contact Us" link found at the top of our home page.

**IMPORTANT NOTICE:** The Florida Department of State will send the annual report reminder notices to the entity's last known e-mail address. It is the recipient's responsibility to forward the reminder notices to the person(s) responsible for filing the annual report.

**Name And Address of Person(s) Authorized to Manage LLC** [What is a Manager \(MGR\) or or Authorized Representative \(AR\)?](#)

List the name and address of each manager or representative authorized to manage and control the company. This information is required to open most bank accounts and to obtain workers' comp exemption. Once this document is filed, any changes will require an amendment and an additional \$25.00 filing fee.

Title  (MGR, AMBR, AP or other designated title(s))

Name , , ,   
 Last Name First Name Initial Title (Sr., Jr., etc.)

- OR -

Entity Name to serve as MGR, AMBR, AP or other designated title(s)

Street Address

City, State ,

Zip Code & Country

The last section of the application is where you list all the members of your company.



**What is an Authorized Representative (AR), Authorized Person (AP), Authorized Member (AMBR), or Manager (MGR)?**

An Authorized Representative (AR), Authorized Person (AP), or Authorized Member (AMBR) is a person who is authorized to execute and file records with this office. See 605.0102, F.S., for more detail.

If all of the members of a limited liability company will not have authority to manage or act on behalf of the business entity, then the limited liability company will be manager-managed. In a manager-managed limited liability company, the members elect those individuals, which will have the authority to manage or act on behalf of the company. Those individuals will serve in the capacity of a manager (MGR). A manager (MGR) may or may not be a member of the limited liability company.

Please review the filing for accuracy. If you need to make corrections, do so at this time. The filing information will be added/edited exactly as you have entered it. Once you have submitted the information, your filing cannot be updated, removed, cancelled or refunded.

Continue

Reset

Review all your information and [CLICK] continue to proceed.



The next page is where you will verify all your information once more and then proceed to a payment screen to pay the filing fees.  
You will receive a receipt by email after payment and it can take up to about 3 business days to receive your certified copies and/or certificate of status by email.

## DIFFERENCES IN THE INC APPLICATION

### Florida Profit Filing

#### Filing Information

If an effective date is required for this filing, enter here / /  (MM/DD/YYYY) [What is an effective date?](#)

Required Filing Fees: \$70.00

Certificate of Status  \$8.75 (Optional) [What is a certificate of status?](#)

Certified Copy  \$8.75 (Optional) [What is a certified copy?](#)

Corporate Name   
(Name must include suffix such as "Corp", "Inc.", "Incorporated", etc.)

Name must end with "Corp", "Inc" or "Incorporated"

Corporate Stock Shares  [What are corporate stock shares?](#)  
(Cannot be zero)

How many shares of stock for your corporation.

#### Incorporator Name And Address

Name   
Address   
Suite, Apt.#, etc.   
City, State & Zip Code

In addition to a Registered Agent, the name and address of the Incorporator is required.  
The person incorporating the company.

Electronic Signature of Incorporator   
I am the incorporator submitting these Articles of Incorporation and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s. 817.155, F.S. I acknowledge that I have read the above "Notice of Annual Report" statement and understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this corporation and every year thereafter to maintain "active" status.

#### Corporate Purpose

Corporate purpose is "Any and all lawful business".

(Do not check this box if a "Professional Association". You must list specific purpose below.)

(Maximum of 240 characters.)

In the Inc application the Corporate Purpose is mandatory.

240 characters remaining

## Officer/Director Name And Address

List the name and address of each officer/director now. This information is required to open most bank accounts and to obtain workers' comp exemption. Once this document is filed, any changes will require an amendment and an additional \$35.00 filing fee.

Title  (P, VP, etc...)  
 Name  ,  ,  ,   
 Last Name First Name Initial Title (Sr., Jr., etc.)

- OR -

Business Name to serve as Officer

Street Address

City, State  ,

Zip Code & Country

The title portion of this application is not as strict as the LLC application. Title can be President, CEO, VP etc.

## FILING FEES BY ENTITY

	Limited Liability Company	For Profit Corporation	Non-Profit Corporation
<b>Filing Fees</b>	\$100.00	\$35.00	\$35.00
<b>Registered Agent Designation</b>	\$25.00	\$35.00	\$35.00
<b>Certified Copy</b> <i>(Optional)</i>	\$30.00	\$8.75	\$8.75
<b>Certificate of Status</b> <i>(Optional)</i>	\$5.00	\$8.75	\$8.75
<b>Annual Report</b> <i>Due Before May 1</i>	\$138.75	\$150.00	\$61.25
<b>Annual Report Late Fee</b> <i>filed after May 1</i>	\$400.00	\$400.00	\$400.00
<b>Amended Profit Annual Report</b>	\$50.00	\$61.25	\$50.00
<b>Reinstatement</b> <i>+each year annual report fee</i>	\$100.00	\$600.00	\$175.00

# OBTAINING YOUR TAX ID NUMBER

## Online EIN Application for LLC

**Hours:** The EIN Online Application is only available Monday through Friday, from 7:00am to 10:00pm Eastern Time.



The instructions below are only for people who have an SSN or an ITIN. If you are a foreigner and don't have an SSN or ITIN, you can still get an EIN for your LLC.

### Get started:

- Visit the EIN for LLC Online Application:

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

Click the blue [**Apply Online Now**] button in the middle of the page.

- Read through the important information and then click [**Begin Application**].

### Employer ID Numbers

English | Español | 中文(繁體) | 한국어 | Русский | Tiếng Việt

#### Individuals

#### International Taxpayers

#### Businesses and Self-Employed

#### Small Business and Self-Employed

Employer ID Numbers

Business Taxes

Reporting Information Returns

Self-Employed

Starting a Business

Operating a Business

Closing a Business

Industries/Professions

Small Business Events

Online Learning

#### Alert

You must complete each EIN application individually instead of using any automated process.

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN. You may apply for an EIN in various ways, and now you may [apply online](#). **This is a free service offered by the Internal Revenue Service and you can get your EIN immediately.** You must check with [your state](#) to make sure you need a state number or charter.

- [Do You Need an EIN?](#)
- [Do You Need a New EIN?](#)
- [How to Apply for an EIN](#)
- [How Long Will it Take to Get a Number?](#)
- [Lost or Misplaced Your EIN?](#)
- [How EINs are Assigned and Valid EIN Prefixes](#)
- [Canceling an EIN - Closing Your Account](#)
- [Who is a Responsible Party?](#)

[Apply for an EIN Online](#)

Check out our Interview-style online EIN application. No need to file a Form SS-4! We ask you the questions and you give us the answers. The application includes embedded help topics and hyperlinked keywords and definitions so separate instructions aren't needed. After all validations are done you will get your EIN immediately upon completion.

#### Related Topics

- [Taxpayer Identification Numbers TIN](#)
- [Correcting Business Information Where a Nominee Was Used](#)

#### Publication

- [Publication 1635, Employer Identification Number Understanding Your EIN \(PDF\)](#)

#### Video

- [EIN Video](#)

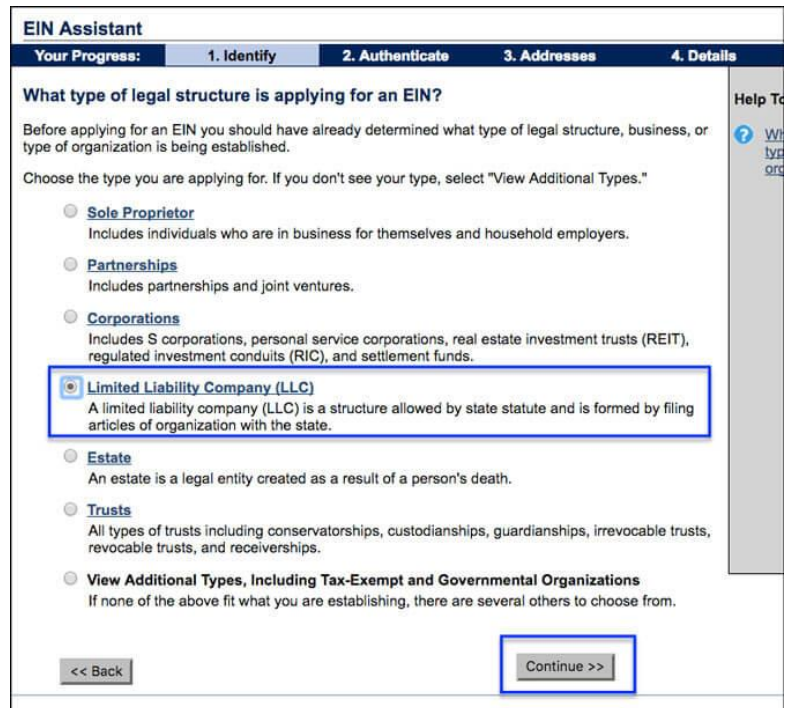


#### Need an Employer Identification Number (EIN)?

Find out how

## What type of legal structure is applying for an EIN?

Select **“Limited Liability Company”** and then click [Continue].



**EIN Assistant**

Your Progress: 1. Identify 2. Authenticate 3. Addresses 4. Details

### What type of legal structure is applying for an EIN?

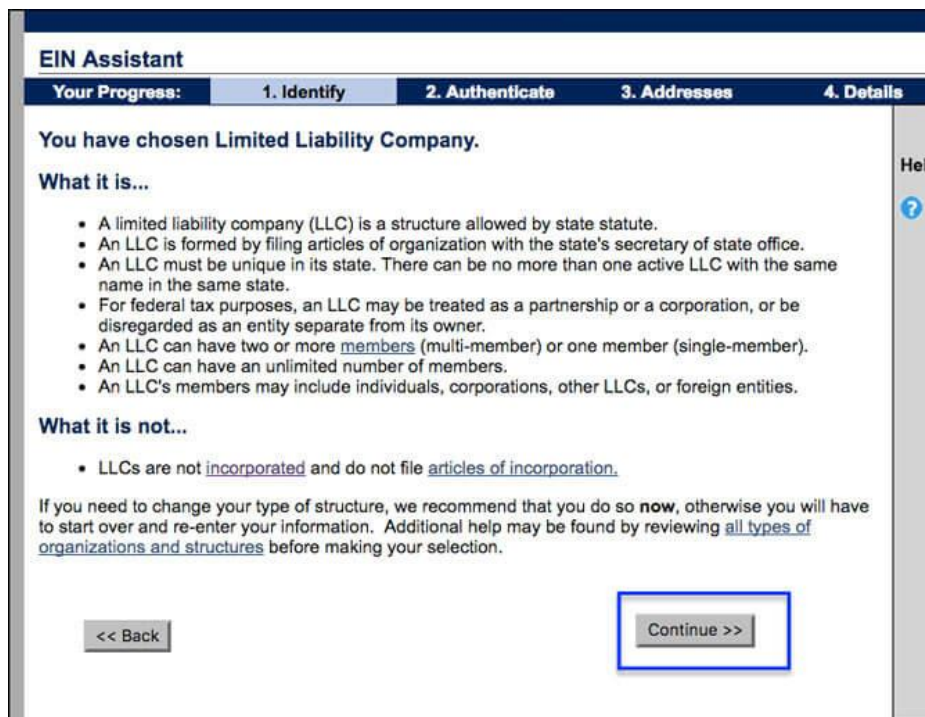
Before applying for an EIN you should have already determined what type of legal structure, business, or type of organization is being established.

Choose the type you are applying for. If you don't see your type, select "View Additional Types."

- Sole Proprietor**  
Includes individuals who are in business for themselves and household employees.
- Partnerships**  
Includes partnerships and joint ventures.
- Corporations**  
Includes S corporations, personal service corporations, real estate investment trusts (REIT), regulated investment conduits (RIC), and settlement funds.
- Limited Liability Company (LLC)**  
A limited liability company (LLC) is a structure allowed by state statute and is formed by filing articles of organization with the state.
- Estate**  
An estate is a legal entity created as a result of a person's death.
- Trusts**  
All types of trusts including conservatorships, custodianships, guardianships, irrevocable trusts, revocable trusts, and receiverships.
- View Additional Types, Including Tax-Exempt and Governmental Organizations**  
If none of the above fit what you are establishing, there are several others to choose from.

<< Back Continue >>

You have chosen Limited Liability Company.



**EIN Assistant**

Your Progress: 1. Identify 2. Authenticate 3. Addresses 4. Details

### You have chosen Limited Liability Company.

#### What it is...

- A limited liability company (LLC) is a structure allowed by state statute.
- An LLC is formed by filing articles of organization with the state's secretary of state office.
- An LLC must be unique in its state. There can be no more than one active LLC with the same name in the same state.
- For federal tax purposes, an LLC may be treated as a partnership or a corporation, or be disregarded as an entity separate from its owner.
- An LLC can have two or more **members** (multi-member) or one member (single-member).
- An LLC can have an unlimited number of members.
- An LLC's members may include individuals, corporations, other LLCs, or foreign entities.

#### What it is not...

- LLCs are not **incorporated** and do not file **articles of incorporation**.

If you need to change your type of structure, we recommend that you do so **now**, otherwise you will have to start over and re-enter your information. Additional help may be found by reviewing [all types of organizations and structures](#) before making your selection.

<< Back Continue >>

This page explains what an LLC is and what an LLC is not. Please read over the information and then click **[Continue]**.

## Tell us more about the members of the Limited Liability Company (LLC).

Enter the total number of LLC [Members](#). Then select the state where your LLC was formed and click “Continue”.



LLCs can be taxed by the IRS a few different ways. By default, LLCs with 1 member will be taxed like a Sole Proprietorship. And by default, LLCs with 2 or more members will be taxed like a Partnership. If you want your LLC to be taxed like a C-Corporation or an S-Corporation, you'll do that with a separate form after the EIN is approved (we'll discuss this later on). Additionally, how your LLC is taxed by the IRS has nothing to do with your [LLC's liability protection](#). Your personal assets will still be protected regardless of how your LLC is taxed by the IRS.

**EIN Assistant**

Your Progress: 1. Identify 2. Authenticate 3. Addresses 4. D

**Tell us more about the members of the Limited Liability Company (LLC).**

\* Required fields

How many member(s) are in the LLC? \* 2

Please select the state/territory where the business is physically located: \*

CALIFORNIA (CA)

<< Back Continue >>

## Husband & Wife LLCs in Community Property States

If you select 2 members and are forming an LLC in a community property state, the IRS will then ask you how you'd like to be taxed and whether or not you want to be a Qualified Joint Venture LLC.



**EIN Assistant**

**Your Progress:** 1. Identify 2. Authenticate 3. Addresses 4. Details

**You are in a community property state. Tell us more about the two-member Limited Liability Company (LLC).**

Are the members husband and wife?

Yes  No

A Qualified Joint Venture LLC is when an LLC is formed in a community property state, the only owners are the husband and wife, and they file a joint tax return, they may elect to treat the LLC as being owned as one “legal unit”, meaning the LLC can choose to be taxed as a Sole Proprietorship (instead of a Partnership). So, by making this election, the married couple will not be required to file a 1065 Partnership Return, but will instead report income, losses, credits, and deductions directly on their joint tax return.

You’ll see the following:

**EIN Assistant**

**Your Progress:** 1. Identify 2. Authenticate 3. Addresses 4. Details

**You are husband and wife residing in a community property state and the only two members of a Limited Liability Company (LLC).**

Under Revenue Procedure 2002-69, you have the option of treating the LLC as a multi-member LLC or as a single-member LLC. Please choose one of the following:

We elect to be classified as a multi-member LLC. Select multi-member LLC for Partnership taxation (which is not a Qualified Joint Venture)

We elect to be classified as a single-member LLC. Select single-member LLC for Sole Proprietorship taxation (which becomes a Qualified Joint Venture)

If you select “**multi-member LLC**”, your husband and wife LLC will be taxed as a Partnership, which is not a Qualified Joint Venture.

- If you select “**single-member LLC**”, your husband and wife LLC will be taxed as a Sole Proprietorship, which is a Qualified Joint Venture.

## Please confirm your selection:

This page will confirm and explain the IRS tax classification for your LLC.

- If you have a **Single-Member LLC**, the IRS will treat your LLC as a “disregarded entity” and the LLC will be taxed like a Sole Proprietorship. Keep in mind, this has nothing to do with your liability protection. You are still operating as an LLC and have its full personal liability protection. The IRS is just **taxing it like** a Sole Proprietorship. Your LLC’s income will “pass through” to your personal tax return, known as Form 1040, and your income will be reported on a Schedule C, E, or F. You’ll see the following message:

### EIN Assistant

**Your Progress:** 1. Identify 2. Authenticate 3. Addresses 4. Details

**Please confirm your selection.**

Due to the number of members in your limited liability company, you are considered a **Single-Member Limited Liability Company (LLC)** as the type of structure applying for an EIN.

- Since you are a [single-member LLC](#), you will initially be classified as a [disregarded entity](#) for the purposes of filing a federal tax return.
  - If the only member of the LLC is an **individual**, the LLC income and expenses are reported on [Form 1040](#) (U.S. Individual Income Tax Return), Schedule C, E, or F.
  - If the only member of the LLC is not an individual, the LLC income and expenses are reported on the owner/member’s tax return.
- If you do not wish to accept the default classification of disregarded entity, you can:
  - File [Form 8832](#) (Entity Classification Election) to elect [corporate status](#), or
  - File [Form 2553](#) (Election by a Small Business Corporation) to elect [S corporation status](#).
- Single-member LLCs may not file a [partnership return](#).

If you need to change your type of structure, we recommend that you do so **now**, otherwise you will have to start over and re-enter your information. Additional help may be found by reviewing [all types of organizations and structures](#) before making your selection.

<< Change Type Continue >>

- If you have a **Multi-Member LLC**, the IRS will tax your LLC like a Partnership. Keep in mind, this has nothing to do with your liability protection. You are still operating as an LLC and have its full personal liability protection. The IRS is just **taxing it like** a Partnership. Your LLC’s income will “pass through” to your personal tax return (on Form 1040), but you’ll also need to file a **1065 Partnership Return and issue a K-1 to each LLC Member**. You’ll see the following message:

**EIN Assistant**

Your Progress: **1. Identify** 2. Authenticate 3. Addresses 4. Details

**Please confirm your selection.**

Due to the number of members in your LLC, you are considered a **Multi-Member Limited Liability Company (LLC)** as the type of structure applying for an EIN.

Since you are a [multi-member LLC](#), we must initially classify you as a [partnership](#). If you do not wish to accept the default classification of partnership, you can:

- File [Form 8832](#) (Entity Classification Election) to elect [corporate status](#), or
- File [Form 2553](#) (Election by a Small Business Corporation) to elect [S corporation status](#).

If you need to change your type of structure, we recommend that you do so **now**, otherwise you will have to start over and re-enter your information. Additional help may be found by reviewing [all types of organizations and structures](#) before making your selection.

<< Change Type Continue >>

**Note:**

You'll see a message stating that if you do not want to accept the LLC's default tax classification, you can file Form 8832 and have your [LLC taxed as a C-Corporation](#), or, more popularly, you can file Form 2553 and have your [LLC taxed as an S-Corporation](#). Please note, that even if you plan on filing either of these forms, you'll need to continue through the process of the online EIN application, and after your EIN is approved, you can then file Form 8832 or Form 2553. But make sure you speak to an [accountant](#) regarding which method of taxation is best for your LLC. For people starting out (earning less than \$50,000 per year), it usually won't make sense to have your LLC taxed as an S-Corporation or a C-Corporation, however, as mentioned, please speak with an accountant.

**Why is the LLC requesting an EIN?**

Most people select "Started a new business" and then click [Continue].

**EIN Assistant**

Your Progress: 1. Identify **2. Authenticate** 3. Addresses 4. Details

**Why is the LLC requesting an EIN?**

Choose **one** reason that best describes why you are applying for an EIN.

**Started a new business**  
Select this option if you are beginning a new business.

**Hired employee(s)**  
Select this option if you already have a business and need to hire employees.

**Banking purposes**  
Select this option if the reason for applying for the EIN is strictly to satisfy banking requirements or local law.

**Changed type of organization**  
Select this option if you are changing the type of organization you currently operate, such as changing from a sole proprietor to a partnership, changing from a partnership to a corporation, etc.

**Purchased active business**  
Select this option if you are purchasing a business that is already in operation.

Continue >>

## INFORMATION TO HAVE AVAILABLE

### Who is the Responsible Party for the LLC?

The EIN Responsible Party is going to be an LLC Member or Manager who has the authority to control the LLC's money and assets. This person should also be the one who will make sure that the LLC takes care of any tax filings necessary with the IRS.

If you have a Multi-Member LLC, you only need one person as the EIN Responsible Party. The IRS doesn't need the contact information for all of your LLC Members (and/or Managers) on the EIN Application. Instead, the 1065 Partnership Return that is filed later will identify all the LLC Members.

### Contact Person:

Another way to think of the EIN Responsible Party is that it's the LLC's "contact person" for the IRS. The IRS will send mail and correspondence to this person, either providing information to the LLC or requesting information from the LLC.

### Must have SSN or ITIN:

In order to complete the online EIN Application, the EIN Responsible Party must have an SSN (Social Security Number) or ITIN (Individual Taxpayer Identification Number).

If the EIN Responsible Party is a foreigner and doesn't have an ITIN or SSN, you can still get an EIN for your LLC, you just can't get it online. Instead, you need to file form SS-4 by mail or fax. We have instructions here:

### Individual or Existing Business:

Although the online EIN Application says "*The Responsible Party of the LLC can either be an individual or an existing business*", this is no longer the case. The IRS made changes that went into effect in 2018.

### If your LLC is owned by another company:

If your LLC is owned by another company (like another LLC or Corporation), the EIN Responsible Party must be an individual person and they must use their SSN or ITIN on the application.

You can't list the parent company as the EIN Responsible Party and use its EIN (even though it looks like you can). If you do, you'll get an error message at the end of the application.

*(There is an exception to this rule though, and that is if the LLC applying for the EIN is a government entity. In that case, it is allowed to have its EIN Responsible Party be an entity. However, this is not applicable to 99% of our readers.)*

**EIN Assistant**

Your Progress: **1. Identify ✓** 2. Authenticate 3. Addresses

**Who is the Responsible Party of the LLC?**

The responsible party of the LLC can be either an individual OR an existing business.

Please choose **one**:

Individual 

Existing business

<< Back Continue >>

**Please tell us about the Responsible Party of the LLC:**

Enter your full name and your SSN or ITIN. Then select “I am one of the owners, members, or the managing member of this LLC”. Then click “Continue” to proceed.

**EIN Assistant**

Your Progress: 1. Identify ✓ **2. Authenticate** 3. Addresses 4. Details 5.

**You selected individual. Please tell us about the Responsible Party of the LLC.**

**\* Required fields**  
 Must match IRS records or this application cannot be processed.  
 The only punctuation and special characters allowed are hyphen (-) and ampersand (&).

First name \* Steve

Middle name/initial

Last name \* Johnson

Suffix (Jr, Sr, etc.) Select One

SSN/ITIN \* 123 - 45 - 6789

**Choose One: \***

I am one of the owners, members, or the managing member of this LLC.

I am a third party applying for an EIN on behalf of this LLC.

Before continuing, please review the information above for typographical errors.

<< Back Continue >>

[IRS Privacy Policy](#)

Enter your LLC’s physical address and your U.S. phone number.

The IRS will use this address to send your LLC any mail or correspondence.

The IRS rarely calls people, but in case they need to, use a reliable phone number where you can be reached. The number must be a U.S. telephone number. It can be a cell, home, or office number.

A P.O. Box address is not allowed. A physical street address must be entered.

Most filers list their home if they work from home or an office address if they work from an office. You can also use a PMB (Private Mailbox Service) or a CMRA (Commercial Mail Receiving Agency) address if you have one.

### Foreigners:

If you [formed an LLC](#) in the U.S., but you don’t actually have a physical location in the U.S., you can use the address of your Registered Agent (if they allow it).

The screenshot shows the 'EIN Assistant' web interface. At the top, a progress bar indicates four steps: '1. Identify' (checked), '2. Authenticate' (checked), '3. Addresses' (current step), and '4. Details'. The main heading is 'Where is the LLC physically located?'. Below this, there are several required fields: 'Street' (144 Maple Drive), 'City' (Sacramento), 'State/U.S. territory' (CALIFORNIA (CA)), 'ZIP code' (95823), and 'Phone number' (916 - 123 - 1234). A note specifies that only hyphens and forward slashes are allowed in street and city names. A question asks if there is a different address for mail, with 'No' selected. A 'Continue >>' button is highlighted with a blue box. At the bottom, there is a link to the 'IRS Privacy Policy'.

The only special characters that are allowed in the address fields are a hyphen (-) and a forward slash (/). You can’t use the number sign (#), a comma, or a period.

For example, if your address is “123 Main Street, Apt. #3”, you’ll need to enter it as: “**123 Main Street – Apt 3**” or “**123 Main Street Apt 3**”.

### Different Mailing Address:

If you want mail from the IRS to be sent to a different address than you entered, select “Yes” and enter that address on the next page. The IRS will use this address as your mailing address instead of the LLC’s physical location.

### Verify your Physical Location:

If the following page appears, it just means the IRS is formatting your address to match up with the “standardized format” from the United States Postal Service. You can click “Accept Database Version” and then click “Continue”.

**EIN Assistant**

Your Progress: 1. Identify ✓ 2. Authenticate ✓ 3. Addresses 4. Details 5. EIN

### Verify your Physical Location.

We have reviewed the [physical location](#) and checked it against our database. You may edit the address, accept it as entered, or accept the database version.

**You entered:**

144 MAPLE DRIVE  
SACRAMENTO  
CA  
95823

**Found in our database:**

144 MAPLE DR ◀ Verify Street  
SACRAMENTO  
CA  
95823

### Tell us about the LLC:

#### Legal name of LLC:

Enter the full name of your LLC, but don’t use any periods or commas.

Even if your LLC was filed with the state using a comma, a period, or some other symbol, the IRS will only allow the use of a hyphen (-) and the ampersand symbol (&) in the name field.

Keep in mind, this doesn’t affect the legality of how your LLC filed with the state. It’s simply the IRS “normalizing” their records for their database. Again, it won’t impact the legal name of your LLC.

For example: If your LLC was formed with the name “**ABC Widgets, LLC**”, it must be entered as “**ABC Widgets LLC**”.

### **Symbols in your LLC name:**

The IRS doesn’t allow most special characters in the name field. If your LLC name includes any of the symbols below, they will need to be replaced.

For example:

- replace “.” with “dot”
- replace “.com” with “dot com” (ex: *MySite.com LLC* becomes *MySite dot com LLC*)
- replace “+” with “plus”
- replace “@” with “at”
- replace a “/” or “\” with “-”
- remove \$ and related symbols
- remove the apostrophe (‘) and don’t use

### **Trade name/Doing business as:**

This field can be left blank, unless your LLC has also filed a DBA (doing business as) name. Most filers leave this blank since their LLC will just operate using the legal name it was filed under.

If you previously had a Sole Proprietorship with a DBA, don’t enter that name here. That is not the same thing. Only enter a DBA if the DBA was filed after the LLC was formed and the DBA is owned by the LLC.

### **County where LLC is located:**

A lot of people read this too fast and think it says “country” (like the USA). It doesn’t. It’s the county. Each U.S. state is divided into counties.

Enter the county where your LLC is located. If you’re not sure which county your address is in, you can use [this tool](#).

### **State/Territory where LLC is located:**

Enter the state where your LLC was formed.

### **State/Territory where Articles of Organization are (or will be) filed:**

Enter the state where you filed your Articles of Organization, Certificate of Organization, or Certificate of Formation.

For most filers, this field and the one above will be the same state.



## LLC start date:

Enter the month and year that your LLC was approved. You can find this date on your LLC's approved Articles of Organization, Certification of Organization, or Certification of Formation.

**EIN Assistant**

Your Progress: 1. Identify ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details

**Tell us about the LLC.**

\* Required fields  
The only punctuation and special characters allowed are hyphen (-) and ampersand (&).  
The legal name may not contain any of the following endings: Corp, Inc, PA.  
The trade name may not contain an ending such as 'LLC', 'LC', 'PLLC', 'PA', 'Corp', or 'Inc'.

Legal name of LLC (must match [articles of organization](#), if filed) \* Company Name LLC

Trade name/Doing business as (only if different from legal name)

County where LLC is located \* SACRAMENTO

State/Territory where LLC is located \* CALIFORNIA (CA)

State/Territory where [articles of organization](#) are (or will be) filed \* CALIFORNIA (CA)

LLC [start date](#) \* JULY 2019

Before continuing, please review the information above for typographical errors.

Continue >>

## Tells us more about the LLC:

Read the questions carefully and select either “Yes” or “No”, then click “Continue”.

*(Click the links below for explanations from the IRS)*

- Does your business own a [highway motor vehicle](#) with a [taxable gross weight](#) of 55,000 pounds or more?
- Does your business involve [gambling/wagering](#)?
- Does your business need to file [Form 720](#) (Quarterly Federal [Excise Tax Return](#))?

- Does your business sell or manufacture alcohol, tobacco, or firearms?
- Do you have, or do you expect to have, any [employees who will receive Forms W-2](#) in the next 12 months? (Forms W-2 require additional filings with the IRS.)

**EIN Assistant**

Your Progress: 1. Identify ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details

**Tell us more about the LLC.**

\* Required fields

Does your business own a [highway motor vehicle](#) with a [taxable gross weight](#) of 55,000 pounds or more? \*  Yes  No

Does your business involve [gambling/wagering](#)? \*  Yes  No

Does your business need to file [Form 720](#) (Quarterly Federal [Excise Tax Return](#))? \*  Yes  No

Does your business sell or manufacture alcohol, tobacco, or firearms? \*  Yes  No

Do you have, or do you expect to have, any [employees who will receive Forms W-2](#) in the next 12 months? \* (Forms W-2 require additional filings with the IRS.)  Yes  No

Before continuing, please review the information above.

Continue >>

On the next page, select your LLC’s primary business purpose from the list of given choices.

If it does not fall in any of the choices provided, you can select “Other” and then specify your LLC’s business purpose on the next page. Once you’re done, click “Continue”.

**How would you like to receive your EIN Confirmation Letter?**

We recommend selecting “Receive letter online” as this is the fastest way to receive your EIN Confirmation Letter.

**EIN Assistant**

Your Progress: 1. Identity ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details ✓ 5. EIN

**How would you like to receive your EIN Confirmation Letter?**

You have **two** options for receiving your confirmation letter. Please choose one below:

**Receive letter online.** This option requires [Adobe Reader](#).  
You will be able to view, print, and save this letter immediately. It will not be mailed to you.

**Receive letter by mail.** The IRS will send the letter to the mailing address you provided - allow up to 4 weeks for delivery.

[Get Adobe Reader](#)

[Continue >>](#)

### Summary of your information

Review the information you entered, then click "Submit" to finalize your application.

Federal Excise Tax Return):	<b>NO</b>
Has employees who receive Forms W-2:	<b>NO</b>
Reason for Applying:	<b>STARTED A NEW BUSINESS</b>

---

**We strongly recommend you print this summary page for your records as this will be your only copy of the application. You will not be able to return to this page after you click the "Submit" button.**

Click "Submit" to send your request and receive your EIN. [Submit](#)

**Once you submit, please wait while your application is being processed. It can take up to two minutes for your application to be processed.**

[IRS Privacy Policy](#)

**Congratulations, the EIN for your LLC has been successfully assigned!**

You'll see a message confirming that an EIN has been successfully assigned to your LLC.

**Important (make sure to download your EIN Confirmation Letter):**

Click the blue download link to save and print a PDF copy of your **EIN Confirmation Letter**. Then click “Continue” twice to end your online application.

**CP-575:**

The technical name for your **EIN Confirmation Letter** for an LLC is the **CP 575**.

**Again**, make sure you download and save a few copies of this form.

The IRS will also mail you a duplicate copy, which will arrive in 4-5 weeks.

If you misplace the EIN Confirmation Letter, you can always call the IRS (1-800-829-4933) and request another letter. The IRS won’t be able to issue another CP 575, but that’s okay; they’ll issue another type of EIN letter called the EIN Verification Letter (147C).

**The EIN Confirmation Letter is 2 pages. Here is what page 1 looks like:**

Date of this notice: 02-20-2017

Employer Identification Number:  
81-5 [REDACTED]

Form: SS-4

Number of this notice: CP 575 G

For assistance you may call us at:  
1-800-829-4933

[REDACTED] FITNESS LLC  
[REDACTED] SOLE MBR  
[REDACTED]  
[REDACTED] CA 95492

IF YOU WRITE, ATTACH THE  
STUB AT THE END OF THIS NOTICE.

**WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER**

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 81-5 [REDACTED]. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at [www.irs.gov](http://www.irs.gov). If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

**IMPORTANT REMINDERS:**

- \* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- \* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- \* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is CAME. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Page 2 has a “cut out”, but you don’t have to mail this into the IRS unless you are sending in a letter and making changes to your LLC’s EIN (which you might do at some point in the future).

**Here is what the bottom of page 2 looks like:**

Keep this part for your records.		CP 575 G (Rev. 7-2007)
-----		
Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.		CP 575 G 9999999999
Your Telephone Number ( ) -	Best Time to Call	DATE OF THIS NOTICE: 02-20-2017 EMPLOYER IDENTIFICATION NUMBER: 81-5 [REDACTED] FORM: SS-4 NOBOD
INTERNAL REVENUE SERVICE CINCINNATI OH 45999-0023 [REDACTED]		[REDACTED] FITNESS LLC [REDACTED] SOLE MBR [REDACTED] CA 95492

**EIN Reference Numbers/Error Messages**

There are a number of different error messages (called “EIN reference numbers”) that you may receive at the end of the application.

There are many reasons why an online EIN Application may be rejected.

You may need to file Form SS-4 instead of the online application.

**LLC Business Bank Account**

Once you get an EIN for your LLC, you’ll be able to open an [LLC business bank account](#).

You’ll need the following items in order to open an LLC bank account:

- EIN Confirmation Letter
- LLC approval (Articles of Organization, Certificate of Organization, or Certificate of Formation)
- Your driver’s license and/or passport

**IRS Phone Number & Contact Information**

If you have any questions while going through the online EIN Application (or you receive any EIN reference numbers), you can call the IRS at 1-800-829-4933.

The IRS hours are Monday through Friday between 7am and 7pm. The earlier you call, the shorter the wait times.