

Organize an LLC Treated as an S-Corporation

Visit the web site for your Secretary of State and click on the link for Corporations or Starting a New Business. Click on the links for Search Records and/or Search by Name, be sure to enter the correct spelling of the complete name of the business you want to organize, and search for it to be sure it is not already registered by someone else—the State will either return or ignore a filing for a name that is the same as another and may not refund any payment already submitted. (If you find that the name you want to use is already registered, add to the name another descriptive or identifying word or two to make it truly unique.)

Follow the links and instructions to complete and submit the Articles of Organization with your registration fee.

When completing the Articles of Organization, be sure to indicate the correct spelling of the complete name of your LLC;

use your existing address as the address of your LLC; and

list yourself as the organizer, filer, officer or president, and registered agent (so you can save yourself the annual registered agency fee).

Also take note of any additional time-sensitive initial requirements of your State, as well as annual registration filing deadlines and fees, and keep a calendar with this information to avoid late filing penalties and administrative dissolution of your LLC.

As soon as you receive your confirmation from the Secretary of State, which is usually immediately online and usually includes a state identification or filing number, visit irs.gov and click on Apply for an Employer ID Number (EIN) and Apply Online Now. Complete and submit the form to receive an instant confirmation with your new federal tax identification number.

When completing the Application for Employer Identification Number, be sure to indicate the correct spelling of the complete name of your LLC as the legal name of the entity;

do not indicate a trade name unless you have previously registered with your State a trade name or “DBA” under your LLC;

do not indicate an executor, administrator, trustee, or “care of” name unless you have previously established this for your existing LLC;

use your existing address as the address;

indicate your County and State;

indicate “LLC” as the entity type and “1120S” as the form number to be filed;

indicate “banking” as the reason for applying and “open account” as the specific purpose;

indicate your state registration filing date as the date business started and December as the closing month of the accounting year;

indicate zero employees expected (unless you truly plan to hire employees and take on the various obligations of a payroll system);

indicate “Other” for the principal activity of your business and “Personal Services” as the specific services provided (unless your business falls under one of the other listed principal activities);

review your information for accuracy and make a note of your new federal tax identification number; and

click on the link to receive your tax identification number issuance letter online to get an instant confirmation letter in PDF format which you can save for your records.

Also complete pages 1 and 2 and **mail** to the address on page 3 of the instructions or **fax** Form 2553 Election by a Small Business Corporation to receive a confirmation of your election to be treated as an S-corporation that pays no income tax on its profits, if any.

When completing Form 2553 Election by a Small Business Corporation, be sure to indicate the correct spelling of the complete name of your LLC as the legal name of the entity;

indicate your new federal tax identification number;

use your existing address as the address;

indicate the date of organization—the date you submitted the Articles of Organization with your State registration fee—as the Date incorporated and your State as the State of incorporation;

indicate the current calendar year as the tax year for which the Election is to be effective;

make a check mark in the box next to Calendar year as the Selected tax year;

indicate your full name and title (i.e., “Owner” or “Director”) and your telephone number so the IRS may call for more information, if necessary;

at the bottom of page 1, sign, title, and date; and

at the top of page 2, indicate your full name and address, sign and date, indicate 100% ownership and the date of organization, your social security number, and "12/31" as the month and day your individual tax year ends.