

## Incorporation/LLC Comparison & Procedure

### Incorporation

- ✓ Name Search
- ✓ Name Registration - \$10 Filing Fee
- ✓ Articles of Incorporation - \$100 Filing Fee
- ✓ Registered Agent - \$100 to \$200/year
- ✓ 1<sup>st</sup> Year Measured Rate State Tax
- ✓ 2<sup>nd</sup> Year \$800 Min. State Tax on 4/15/09
- ✓ Limited Liability (Corporation is its own entity)
- ✓ Double Tax (Corporate and Personal, expect sub-section S)
- ✓ Stock (Raise capital)
- ✓ Bylaws
- ✓ Obtain state and local licenses and/or permits (EIN, Re-sellers Permit)
- ✓ DBA (Fictitious Bus. Name)
- ✓ More bookkeeping and paperwork than a LLC

### Limited Liability Company

- ✓ Name Search
- ✓ Name Registration - \$10 Filing Fee
- ✓ Articles of Organization - \$70 Filing Fee
- ✓ Registered Agent - \$100 to \$200/year
- ✓ 1<sup>st</sup> Year Measured Rate State Tax on 4/15/09
- ✓ 2<sup>nd</sup> Year \$800 Min. State Tax (unless taxed as Corporation)
- ✓ Limited Liability (LLC is its own entity)
- ✓ Members Taxed Individually
- ✓ LLC Formation Agreement
- ✓ Obtain state and local licenses and/or permits (EIN, Re-sellers Permit)
- ✓ DBA (Fictitious Bus. Name)
- ✓ Less bookkeeping and paperwork than a Corporation

### Procedural Steps

1. Name Check (1 day)
2. Name Reservation (1-3 weeks)
3. File Article of Incorporation/Organization (8 to 12 weeks)
4. Bylaws/Formation Agreement - review and modify
5. Obtain licensing/permits, etc. (EIN; re-sellers permit; business tax license; fictitious business name statement)
6. Open/modify banking/investment/insurance records
7. Select/Order corporate seal, stock certificates
8. Complete and file "Statement by Domestic Stock Corporation"
9. Transfer assets and debts and notify stakeholders (business associates, creditors, etc.)
10. Secure tax advise from accountant/bookkeeper
11. Perform corporate function (bylaws, hold organizational meeting, chose fiscal year)