

Information Need to Set-Up or Amend Articles of Organization
For a Limited Liability Company (including Professional LLC)

Limited Liability Companies are a separate legal entity set up with the state Corporation Commission. The business owner decides how to be treated for tax purposes.

Here are the business entity type choices:

1. Sole Member LLC is owned by one member and is operated as a sole proprietorship. Spouses in a community property state can choose to be treated as a sole proprietorship. The business files Schedule C that shows the business income and expenses. Schedule C is filed along with the owner's personal income tax return Form 1040. The owner of the LLC pays income tax on the profit of the company. It also pays an additional 15.3% Social Security and Medicare Tax on the profit.
2. Limited Partnership LLC is owned by two or more owners that are members. The business is run as a limited partnership. The business files a separate tax return Form 1065. The profit (or loss) from the business is shown on the partnership tax return. The income then "flows through" to be taxed on the owners of the company's personal income tax returns based on the decided upon profit or loss sharing percentage. The income is taxed as investment income and therefore there is *no additional* 15.3% SS and Medicare Tax.
3. General Partnership LLC is owned by two or more owners that are managers. The business files Form 1065. The profit flows through to the owners and is taxed as activity trade or business income. There will be income tax and *additional* 15.3% SS and Medicare Tax.
4. Corporation LLC is owned by one or member. The business files Form 1120 that shows all income and expenses. The corporation must pay wages to the actively working members of the LLC. The corporation pays corporate tax on the profits. If the owners want to take any money out of the company, it comes as wages or dividends which are then taxable on the personal tax return. There is *no additional* SS or Medicare tax on the profit.
5. S-Corporation LLC is owned by one or more member. The business files Form 1120-S showing all income and expenses. The corporation must pay wages to the actively working members of the LLC. The profit (or loss) flows through to be taxed on the owner's tax returns and is taxed as investment income. There is *no additional* 15.3% SS or Medicare tax.

Please circle which entity type you would like to file as for your new LLC.

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Please list your top three name choices in order of preference. Name must end in LLC or PLLC.

1. _____
2. _____
3. _____

Best email address: _____

Street Address of LLC: _____

Mailing address (if different): _____

Best contact phone number: _____

Please list the following information for each LLC member:

<u>Name</u>	<u>Address</u>	<u>SSN</u>	<u>Ownership %</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

Please give a brief description of your business: _____

The date business started: _____ (can be in a prior year).

I hereby authorize Kathryn S. Tracy to act on behalf of LLC to file all necessary paperwork.

Signed: _____ Date: _____