

CORPORATE SET UP
Instructions

	Steps to form an LLC taxed as an Scorp in WA State	
Step 1:	<p>Application to Form a Limited Liability Company (Certificate of Formation) Access Website: Washington Secretary of State https://corps2.sos.wa.gov/LLC/Pages/StartPage.aspx</p>	<ol style="list-style-type: none"> 1. You will need to figure out a name you would like to call your LLC. Be ready with 3 or 4 names as sometimes the name you choose may already be taken or unavailable. The name must have LLC at the end. For example, I am going to create a company named John Doe LLC. As you can see, the requested name is not in use, so I can go ahead and continue using John Doe LLC. Hit continue. You will now need to enter the contact info, this will usually be your name, or whoever you choose to be the contact person for your LLC. Fill it out and hit continue. 2. Next you will fill out your certificate of formation. Leave items I,II, III, and IV as they are. V. you will enter your address. VI, you will leave as is. Hit continue. 3.Next you will designate a registered agent. If it is you, click the first circle, if you are designating someone else, click the 2nd circle. (you must have signed permission from the person or entity if you are designating an agent other than yourself) 4. Next is the online Initial Report. It says optional, but make sure you complete it otherwise you will have to pay an extra fee and fill it out anyway at a later date. Verify everything so far is correct, and then fill out the Nature of Business- write in a couple words that describe what your LLC is for, for example, I am going to put Real Estate. <p>Next you will need to add members. You will need to add and create a separate form for each member of your LLC. My LLC only has one member, if I had another, I would click add member and fill out the form for the 2nd person. Hit continue. You are now finished completing your LLC. Put in your name, and hit continue.</p> <p>The final step is to pay the \$200 application fee,</p>

		<p>and it must be paid with credit card. Put in your credit card info and hit continue. Make sure your email address is correct as you will get verification from the Secretary of State within minutes that your application is in process. You will receive another email in 5-7 days stating your LLC has been formed, and your certificate will be mailed out to you within 2-3 weeks. Once you have these documents, along with your EIN, you will be able to open a business bank account.</p>
<p>Step 2:</p>	<p>Apply for EIN (LLC/Corp tax identification number that will be used by IRS to separate your Corp from personal, and by your bank to open a business bank account</p> <p>Access Website: Internal Revenue Service</p> <p>https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online</p>	<p>After you have formed your LLC, you can immediately apply for an EIN number. You do not have to wait for your LLC documents.</p> <p>Hit Apply Online now when you are at the IRS website, and then hit Begin Application.</p> <ol style="list-style-type: none"> 1. Click the 4th Circle down, LLC, and hit continue, and then continue again. 2. Write how many members are in your LLC, if there are two and you are husband and wife, just put 1. Select Washington for the physical location Hit continue, and continue again to confirm your selection. 3. Select the 1st circle, Started a new business and hit continue. 4. Select the 1st circle, individual and hit continue. 5. Now you will need to put in your name and social security number to designate a responsible party. The IRS will need to verify your SSN in order to process your EIN. Select the 1st circle and hit continue. 6. Now type in the physical address of the LLC –same as on your LLC application, if this is the same as your mailing address, hit continue, if you would like to enter a PO box or different mailing address, click yes and fill in the required fields. 7. Now, write in the name of your LLC. You can leave the DBA field blank unless you plan to do business under another name. Put state of WA and LLC start date the month you formed the LLC. 8. Select NO to the 1st 4 questions, and YES to the 5th one, since having an Scorp will require atleast one officer to take a

		<p>reasonable salary.</p> <ol style="list-style-type: none"> 9. Now select the category that best describes your business, I will select real estate. 10. Now select Receive letter online and hit continue. 11. Verify your information is correct. If it is not, unfortunately you will have to begin the application over again. Click Submit to receive your EIN 12. Print your EIN confirmation letter and/or save to your own computer.
<p>Step 3:</p>	<p>Form 2553- This is the application to form an Scorp. You will put your LLC name and EIN # obtained from the IRS at the top. S election date will be the date you want to become an Scorp (usually the date your LLC was formed) Have all shareholders sign and date. Access Web: IRS https://www.irs.gov/uac/form-2553-election-by-a-small-business-corporation</p> <p>FAX both pages to the IRS at:801.620.7116 Or mail</p>	<p>Under the heading, Current Products, select FORM 2553. Type in the Name, EIN #, and address of your LLC. Date incorporated- date your formed the LLC State of Incorporation: WA Under F, check box 1, Calendar Year Under H, type your name or the name another officer of the Scorp. If you are filing the Scorp late (which is usually the case if you are not forming it ahead of time) Write the words: FILED PURSUANT TO REV PROC. CODE 2013-30 as Taxpayer received professional tax advice after due date of timely filed S-Election. Type title of signing officer, (has to be Corp title, Pres/Vice Pres/Secretary, etc. DO NOT PUT MEMBER)</p> <p>On the second page, fill out the name, address and social security number of each shareholder. Print out both pages, one officer will need to sign the first page, and ALL MEMBERS/SHAREHOLDERS will need to sign next to their name in the appropriate column on the 2nd page.</p> <p>Also, write the words: Filed pursuant to Rev Proc Code 2013-30 at the top of the 1st page above the words Election by a Small Business Corporation</p> <p>Once everything is signed and dated, you can mail or fax to the IRS. In 30-60 days, you should receive a letter from the IRS stating you are now officially an Scorp!</p> <p>However, if you do not hear from the IRS after 60 days have passed, or you receive a letter back</p>

		with an incorrect date of election, give us a call and we can help you with the next step.
Step 4:	Master Business License (wait till after your LLC has processed into the system, usually 5-7 days as you will need your UBI number)	<p>Access Website: State of Washington/Department of Licensing https://secure.dor.wa.gov/home/ You will need to create a user ID and password Click the green Sign up button and register to be able to sign up for My DOR. You will need to check your email to complete the final step to activate your registration. Open your email, copy the activation code and click on the link provided. You will need to enter your newly created user ID and password. A screen will pop up, you will click the Open button under business licensing. Fill out your profile, and then click on file business license application. Select OPEN/REOPEN business and then click next Under ownership type, select LLC and then enter your UBI number (this will be on your certificate of formation or the email you received from the Sec of State) Your LLC name should pop up, verify the information and hit next. Type in your EIN number Once again, fill out the business location and contact info Estimate your gross income, I tend to be low with this since it will determine how often you file excise returns. Check the box that describes your business activities, For example, I will put services, and then will write in Real Estate agent exempt reporter Write in your Bank name and Branch Usually you will check no to all the following questions, except if YES applies to your situation. Click next Now if you would like to also have a DBA name with your LLC you can put that here. Location information once again, hit Verify. Select the verified address. Check whether or not the mailing and physical address are the same. Now you will answer whether or not you will be hiring employees within the next 3 months. Any officer of the corporation is not considered an employee for this purpose. Only check yes if you will be hiring someone else.</p>

Click next
Select NO to elective workers comp and excluded employment. Hit next
Now type in the information for the governing person, all members may pop up, but you can just fill out the information for one person.
Click Next unless you would like to add additional governing people.
Select cities you will be doing business in, in some cases you will need to apply for city licenses for each one. Hit next.
The endorsement section does not apply to most businesses, but read through the list to double check for your particular business. If none apply hit next.
The initial license fee is 19-24\$, depending on whether or not you choose to register a trade name.
Hit next
You can pay ACH through your bank, and you will need your routing and account #, or you can pay by credit card for an additional fee. Choose and hit next.
Enter your email and credit card information to process.
You will be directed to a payment confirmation screen and you will have the option to print or save your submitted application. Print and/or save the application for your files.

In about 30 days, you will receive information from the DOR with your excise tax filing requirements, and your LNI and ESD rates if you are hiring any employees. You will need to make sure and bring this information to your accountant or bookkeeper as they will need this to file and report all your business taxes.

Your business is now COMPLETE!