



# Business Incorporation Strategies

Presented by Nellie Akalp

# Nellie Akalp

## CorpNet CEO

A veteran entrepreneur in the online legal document filing space since 1997, Nellie has helped more than half a million small businesses and licensed professionals get their businesses and clients set up and running. She has developed a strong following within the CPA and small business community having been honored as a Small Business Influencer Champion and was named women entrepreneur of the year by NAWBO.



# Agenda and Goals

Many entrepreneurs turn to their CPA for guidance when initially incorporating, transitioning between entities, or expanding into new states. It's crucial that CPAs stay current with the latest rules and regulations to safeguard the personal assets of business owners. In this session, we will detail strategies for incorporating and maintaining a business:

- Summarize entity options along with their advantages, disadvantages, and tax implications
- Outline options on where to register a business
- Determine why entity conversion may be necessary and how to convert from one entity to another
- Define compliance tasks to stay in good standing including meeting minutes, and setting up payroll



# Importance of Business Incorporation





# Benefits of Incorporating

Many of your sole proprietor and general partnership clients may be wondering if it's time to create a formal business structure. If your client is still on the fence, here are some major reasons a small business would choose to incorporate or form an LLC:

- Liability protection of personal assets
- Separate legal entity
- Added credibility
- Perpetual existence
- Tax flexibility
- Deductible expenses

# How to Review Entity Options with Your Clients





# Popular Entity Choices

- Sole Proprietorship
- General Partnership
- Limited Partnership
- C Corporation
- S Corporation
- Limited Liability Company (LLC)
- Professional Corporation

# How Can a Business Structure Impact Future Success?

- Who qualifies to own the company
- What must be done to transfer ownership of the company
- Taxes the company is subject to
- The ability to obtain credit and funding
- The business owner's personal liability
- The number of ongoing compliance requirements



# What Should Be Considered?

- Where business will be conducted
- Wanting to have limited personal liability for business activities
- Whether the business will have a partner or an investor
- The company's expected earnings and deductions
- Desire to minimize self-employment tax obligation
- Business goals
- Tolerance for compliance formalities
- Registration and administrative costs to set up and maintain a business structure

# Sole Proprietorship & Partnership

- Simple to form and maintain.
- No financial statements or lengthy paperwork to stay compliant.
- Simple to tax - Income earned by the business is considered income earner by the owner.
- No separation of personal and business assets.
- Owners generally have to sign contracts and paperwork in their own name because the business does not have a separate identity under the law.
- Cannot gain business credit, take out business loans, or raise capital in other ways.



# C Corporation

- A C Corporation, also referred to as a general for-profit corporation, is a legal, taxable entity, separate from its owners.
- A C Corporation's shareholders' personal liability is limited to the amount they have individually invested in the company. In contrast, owners of a sole proprietorship or partnership are personally liable for business debts and legal issues.
- You'll often hear a C Corporation's income tax treatment referred to as "double taxation" because first, the corporation pays taxes on its profits, and then the individual shareholders pay taxes on the dividend income they receive from the business.
- Even though forming a C Corporation involves more legalities and formalities, the costs are reasonable compared to other business structures that do not offer the same level of liability protection, growth potential, and tax flexibility.

# Limited Liability Company (LLC)

- Next to operating a business as a Sole Proprietor or Partnership, an LLC is the least complex and costly form of business to start and maintain from a state compliance perspective.
- Because an LLC is considered a separate legal entity from its members, its financial and legal responsibilities are also its own.
- By default, an LLC is considered a “disregarded entity” for tax purposes. Business income and losses are passed through to its members’ tax returns and are subject to members’ individual tax rates.
- There are multiple types of LLC options available which provide flexibility on usage, setup, and management options.



# S Corporation

- S Corporation is an LLC or a C Corporation that elected pass-through tax treatment with the IRS.
- A company must meet strict requirements with the IRS to qualify for S Corporation status.
- Must be owned by shareholders and run by board of directors.
- Must hold annual shareholders' meeting and directors' meetings, document key shareholder decisions and file separate corporate income tax return.
- Tax designation is granted by the IRS that lets corporations pass their income through to their shareholders.

	Sole Proprietorship	General Partnership	LLC	S Corporation	C Corporation
Formation	None	None	State Filing Required	State Filing Required	State Filing Required
Limited Personal Liability	No	No	Yes	Yes	Yes
Transferability of Interest	No	No	Yes: Often Limited	Generally Limited	Yes
Duration	Until Withdrawal or Owner Death	Unlimited	Unlimited	Unlimited	Unlimited
Pass-through Taxation	Yes	Yes	Yes: Upon Election	Yes	No
Ability to Raise Capital	Not as Separate Entity	Yes	Yes	Yes: Shareholder Limits Exist	Yes
Limitations on Number of Owners	Yes	No	No	Yes	No

	Initial Filing Requirements	Annual Compliance Requirements	Registered Agent Required
Sole Proprietorship	None	None	No
General Partnership	None	None	No
Limited Partnership	Initial Filing (Some States)	Annual Reports (Some States)	Yes (Some States)
Limited Liability Company	Initial Filing	Annual Reports	Yes
S Corporation	Initial Filing Initial Report Publication Fees	Annual Reports Annual Meetings Meeting Minutes	Yes
C Corporation	Initial Filing Initial Report Publication Fees	Annual Reports Annual Meetings Meeting Minutes	Yes

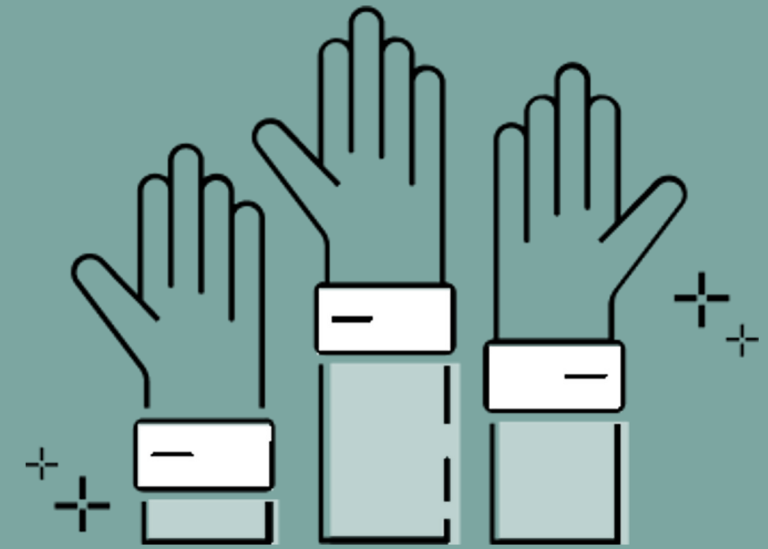
# Questions to Ask Your Clients

- Does your client have personal assets?
- Is your client concerned about personal liability?
- Does your client need to live off of the business' profits each year?
- Does your client want to keep paperwork and administration as simple as possible?
- Does your client want to keep the business forever?



# Do you manage business incorporation and compliance activities for your organization or on behalf of your clients?

- ☐ Yes, for my organization
- ☐ Yes, on behalf of my clients
- ☐ Yes, I advise my clients
- ☐ Not currently, but I am interested in offering this service



## Polling Question #1

# Important Tax Advantages and Disadvantages



# C Corporation Tax Advantages

## ○ **Corporate Income Tax Rate May be Favorable**

- A C Corporation's profits get taxed at the corporate income tax rate. In some circumstances, that might work in the business owners' favor.
- Depending on the location and shareholders personal tax situation, they might find the corporate tax rate will cost them less than if they were set up as an LLC.

## ○ **Possibly More Tax Deduction Opportunities**

As a C Corporation, the business may be eligible for more tax deductions than if it were an LLC, Partnership, or Sole Proprietorship.

## ○ **S Corporation Options for Qualifying C Corporations**

Eligible C Corporations may be taxed as an S Corporation enabling them to avoid the sting of “double taxation.”

# C Corporation Tax Disadvantages

## **A Double Tax Hit**

A C Corporation's profits are taxed when they are earned. Then, any of the profits paid as a dividend income to shareholders is taxed again on the shareholder's individual tax returns



# S Corporation Tax Advantages

## ○ **Lessens the Self-employment Tax Burden on LLC Members**

- Only income paid to LLC members on the payroll are subject to self-employment taxes.
- Profits paid as distributions are not subject to Social Security and Medicare taxes so LLC members may find that the S Corporation election lowers personal tax burden.

## ○ **Enables C Corporations to Avoid Double Taxation**

- As an S Corporation, a corporation's profits and losses flow through to shareholders' personal tax returns and are taxed at the individual tax rates.
- The corporate entity does not pay income tax.
- Shareholders that are employees of the C Corporation only pay self-employment tax on the wages or salary that the Corporation pays them.
- Dividend income paid to shareholders is not subject to self-employment tax; those monies are taxed as either ordinary income or qualified dividends.

# S Corporation Tax Disadvantages

- May limit growth potential.
- S Corps may not have more than 100 shareholders, so growth potential may be limiting.
- To avoid issues with the IRS, owner wages and salaries must be “reasonable” for the type of work and industry.
- An LLC taxed as an S Corporation must pay its owners fair compensation for the work they perform to avoid red flags with the IRS.
- S Corporations are not treated equally at the state level.

# LLC Tax Advantages

- **Single Member LLCs** - Taxed as Sole Proprietorship by default.
- **Multi Member LLCs** - Taxed as Partnership by default.
- **S Corporation Election Option for Qualifying LLCs** - LLC members may elect to have their LLC treated as an S Corporation for tax purposes.
- **Owners Choose How to Distribute Profits** - LLC members may choose how their business will divide the company's profits and losses among its owners allowing for members to consider not only money invested but time and work invested when distributing profits.

# LLC Tax Disadvantages

- Bigger self-employment tax burden.
- All of an LLC's business profits are subject to Social Security and Medicare taxes. This may create an unfavorable financial situation for LLC owners as they must pay self-employment taxes on their distributive share of the LLC's profits, even if invested back into the business.
- Members of an LLC cannot be employees of an LLC.



# Where Should Your Clients Incorporate?



# Choosing a State for Incorporation

- Many clients are unsure in which state they should incorporate or form an LLC.
- Some choose their home state while others opt for “business friendly” states like Delaware, Nevada, or Wyoming.
- Each state differs in terms of fees, taxes and other details.

# Variables to Consider

There are many variables to consider. Clients should review the lowest cost and best option for their situation. Here are some good points of discussion:

- Formation Fees - Vary per state from \$50 to \$455.
- Annual Fees and Filings - Vary per state from \$0 to \$325.
- Franchise Taxes - Vary per state from \$0 to \$800.
- Legal and Court System
- Investors
- State Corporate Income Tax - Some no corporate income tax, others gross receipts income tax.

# A General Rule to Remember

If a business is incorporated in one state, but the owner lives and conducts business in another state (their home state), they are responsible for state fees and taxes in **both** locations.

If a business has fewer than five shareholders, it is more advantageous to incorporate or form an LLC **only in their home state**.

# Don't Forget About Nexus

- When a business has “nexus” in another state, it implies the company has a connection to the state in some way.
- There is no specific shared definition of nexus across the 50 states.
- Rules for determining nexus change constantly.
- This means that a business must look at each state individually when determining nexus and must stay on top of changing regulations.
- In general, a business has nexus when:
  - Has a physical presence like an office, store, or warehouse, in the state.
  - Economic activity without a physical presence might also constitute a nexus.
  - Most states have thresholds that require sales tax nexus for companies with more than 200 sales transactions or \$100,000 in sales within the state annually.



# Steps to Get Started



# How do you currently manage business incorporation and compliance activities?

- ☐ I currently use CorpNet
- ☐ I use another filing and compliance service
- ☐ Internet research and spreadsheets
- ☐ Other



## Polling Question #2

# Most New Corporations Must Pass Through the Following Steps

1. Check name availability
2. Determine the preferred entity type
3. Assign a registered agent
4. File Articles of Incorporation paperwork with the state
5. Draft Corporate Bylaws
6. Obtain an EIN
7. Hold your first board meeting and record meeting minutes
8. Obtain business licenses and permits
9. Register for payroll taxes
10. Maintain ongoing compliance

# Most New LLCs Must Pass Through the Following Steps

1. Check name availability
2. Determine the preferred entity type
3. Assign a registered agent
4. File Articles of Organization paperwork with the state
5. Create an Operating Agreement
6. Obtain an EIN
7. Obtain business licenses and permits
8. Register for payroll taxes
9. Maintain ongoing compliance

# Steps to Elect S Corporation Tax Status

1. Entity must first be incorporated as a C Corporation or have filed as an LLC.
2. A C Corporation electing S Corporation status must submit and file IRS form 2553 signed by all shareholders.
3. An LLC electing S Corporation status must submit and file IRS form 2553 signed by all shareholders.
4. An LLC electing to be taxed as a C Corporation must submit and file IRS Form 8832 signed by all shareholders.

# What if a Client Has Multiple Businesses?





# Clients With Multiple Businesses

If your client has multiple businesses, there are different routes you can take on incorporation. The most common routes are:

1. Create DBAs (doing business as).
2. Create multiple LLCs or Corporations.
3. Create a holding company with multiple LLCs or Corporations under it.
4. Create a Series LLC.

# 1. Using a DBA

- It helps keep businesses in good standing with the state.
- It costs less. You pay annual fees for the LLC or Corporation, and you don't have to pay annual fees for the DBA.
- There are fewer compliance formalities than registering a separate business entity.
- Only one Employer Identification Number (EIN) is required.
- It satisfies bank requirements for opening accounts in the business name.
- DBAs receive the same personal liability protection as the registered business entity.
- Income tax filing is easier since the DBA is rolled into the LLC or corporate return.
- It may deter competitors from using the business name.

## 2. Creating Multiple Entities

### Advantages:

- There's no limit to how many corporations or LLCs one person can form.
- Many entrepreneurs opt to file a new LLC or Corporation for each of their startup ventures.
- This approach can be attractive to those who want to isolate each business's legal and financial risks to its own liabilities rather than assume the risk of all of the entrepreneur's business operations.
- Real estate investors will often choose this approach, forming an LLC for each property that they own, to protect each individual investment from the potential liabilities of the others.

## 2. Creating Multiple Entities

Disadvantages:

- The client will need to pay to incorporate or form an LLC for each business.
- Additional maintenance fees and paperwork.
- Need to manage multiple annual reports.
- Need to pay for multiple annual maintenance fees.
- Need to get separate business licenses and EINs for each business
- Need to file tax forms for each LLC or Corporation.

### 3. Using a Holding Company

- This approach involves one holding company (LLC or Corporation) that forms other LLCs or corporations beneath it.
- Structuring multiple businesses by forming a holding company with subsidiaries may be attractive to entrepreneurs in the following situations:
  - The business owners want to start a new business and have their existing company fund it.
  - The business owners wish to spin off one of their companies.
  - The business owners want to have one of their business lines acquired by another company.
- This way of operating multiple businesses helps centralize control over the companies, protect individual business lines from the liabilities of the others and provide flexibility for growth.

## 4. The Series LLC

- The series LLC is also known as a series limited liability company or SLLC.
- A series LLC is not a holding company, but a holding company could be a series LLC.
- A series LLC allows multiple LLC within a master LLC.
- Each LLC is a separate entity with its own names, bank accounts, and records.
- Each series can conduct business independently because the articles of formation explicitly allow them to have unrestricted segregation of membership interests, assets, liabilities, and operations.
- Different members and managers might run each series, and their rights and responsibilities might vary from series to series.
- Each individual series may secure contracts, own property, sue, and be sued without affecting the other series under the series LLC.

# What if You Need an Entity Conversion?





# Signs it's Time to Convert

As your clients' businesses grow and evolve, the business entity type they began with may not serve them well for the long term. Taxation, funding, or legal requirements can shift, and with this shift comes the need to convert entity types. Considerations that often drive changes in business structure include:

- Income tax rates, allowed deductions, and self-employment tax obligations
- The degree of personal liability owners are comfortable with
- Plans to add or remove owners (shareholders)
- Management flexibility
- The desire to raise capital for expanding or growing the business
- Ongoing business compliance requirements

# Beneficial Situations to Switch Entities

## Situation 1

A business owner has an LLC and wants to reduce their self-employment tax burden.

To do that, they pursue an S Corp electing or convert to a C Corporation.

## Situation 2

A sole proprietor wants to add employees and is now losing sleep over having personal assets tied to the business.

By forming an LLC or incorporating, the company becomes an entity independent for tax and legal purposes. This creates the asset protection the business owner seeks.

## Situation 3

An LLC is finding that it will need to raise a significant amount of money to fuel its plans for growth.

Converting to a C Corporation and selling stock would provide a path for raising these needed funds.

## Situation 4

An LLC's members are all in high-cost individual tax brackets.

After you've done the math for them, it appears they could save money by converting to a C Corporation. This is because the C Corporation's corporate income tax rates will reduce their overall tax burden.

## Situation 5

A Corporation has non-U.S. citizens as shareholders. The company wishes to avoid double taxation and instead have pass-through taxation. Electing S Corp status is not an option because non-resident aliens cannot be shareholders of an S Corp.

If changed to an LLC, the company can have pass-through taxation and move forward with the same owners because LLCs allow non-U.S. citizens to be members.

# Each State and Entity is Different

If you and your client have determined switching entities could benefit the business, there are different steps to make the switch depending on the entity and state.

- Some states allow an entity change via a statutory conversion filing with the Secretary of State.
- Some states require a dissolution of the original business and a change to the company name.
- Another option is an inter-entity merger.

# Sole Proprietorship or Partnership → LLC or C Corporation

- Make sure your business name is available in your home state.
- File the appropriate formation documents with the state:
  - Articles of Organization for LLCs
  - Articles of Incorporation for Corporations
- Obtain a Federal Tax ID number (EIN) using IRS Form SS-4.
- Set up bank accounts, vendor accounts, invoices, etc. in the new business name.

# LLC → C Corporation

- Switch from LLC to C Corporation to sell stock, attract investors, and/or go public.
- Members of the LLC must agree to change the business structure.
- Follow corporate laws in the state that the LLC is registered in:
  - In states that allow “statutory” conversion, a document is filed with the state filing office to change from one entity to another.
  - In other states, your client can create a new C Corporation and make the original LLC a subsidiary or a DBA of the newly formed C Corporation.
  - The most complicated method involves the dissolution of the original entity and the formation of a new one.

# C Corporation → LLC

- The change from C Corporation to LLC results in less paperwork and more flexible organization structure, but it is a complicated transition.
- The IRS considers this switch a monetary transaction:
  - The client would sell assets of the C Corporation.
  - Any assets that have appreciated in value would be taxed.
- Depending on tax status or number of LLC members, different filings would be used:
  - Statutory Conversion – Allows changing an entity type.
  - Statutory Merger – Requires the formation of a new entity.
- Once this switch is made it is not easy to go back to a C Corporation.

# How frequently do you form new entities or file reports for existing entities?

- ☐ 0-4 times per year
- ☐ 5-10 times per year
- ☐ 11-20 times per year
- ☐ 20+ times per year



## Polling Question #3



# C Corporation → S Corporation

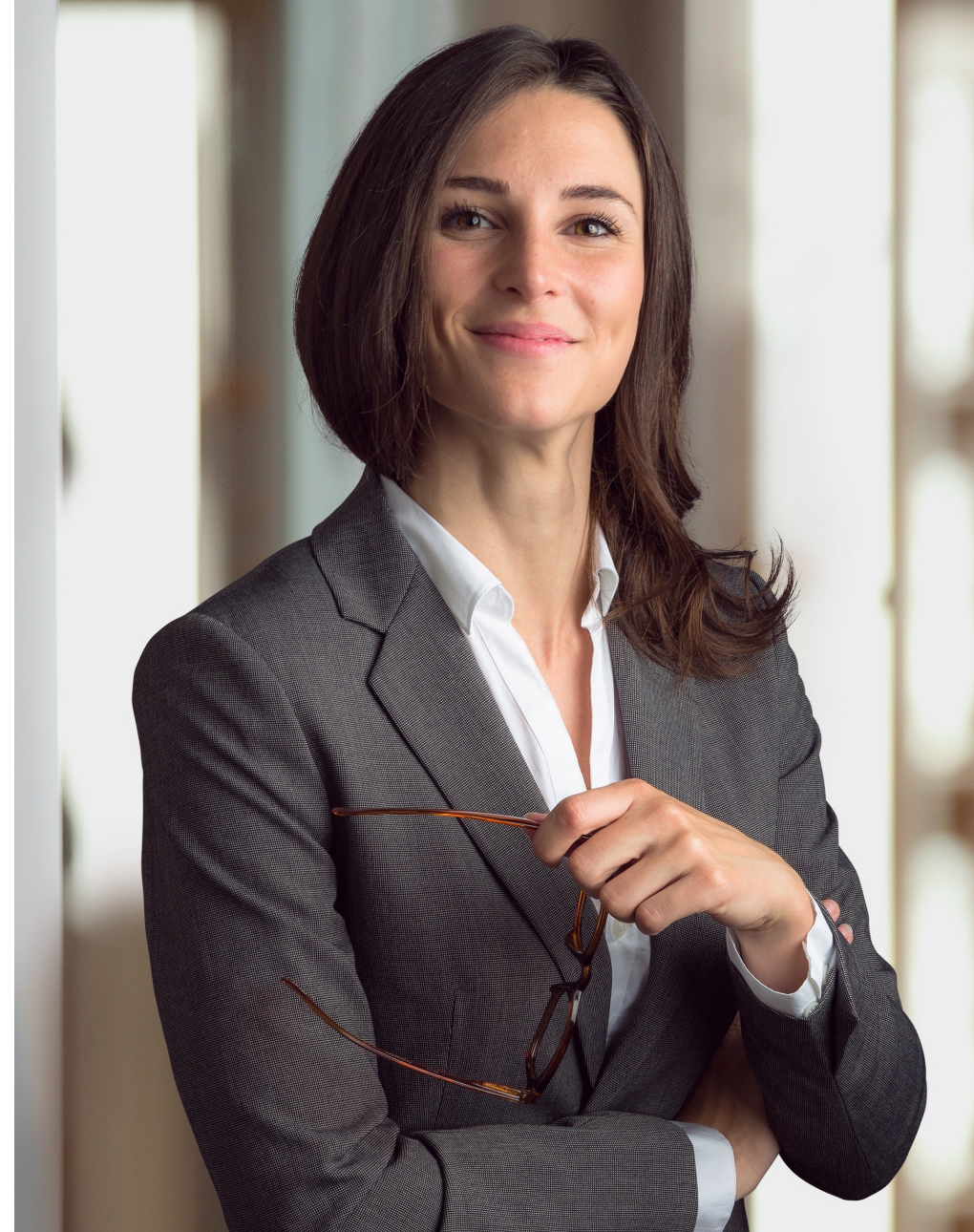
- Some C Corporations want to avoid double taxation, but want liability protection, so they file as an S Corporation.
- S Corporations can pass corporate income, losses, deductions, and credits through to shareholders for federal tax purposes.
- File IRS Form 2553 by March 15<sup>th</sup>.
- If the march 15<sup>th</sup> deadline is missed, client can receive an extension via form 7004 or the business will be taxed as C Corporation until the next tax year.

# Statutory Conversion

The process of doing a statutory conversion varies by state. Here are general steps you or your client would need to take:

- Write a plan of conversion.
- Get approvals from the governing stakeholders (partners, members, shareholders, etc.).
- Complete the formation documents (Articles of Organization, Articles of Incorporation) for the entity type the business will change to.
- Complete a Certificate of Conversion for the post-conversion entity.
- File the new entity formation document and certificate of conversion (and pay any required filing fees) with the state.
- Depending on the state and entity type, there may be other requirements.

# Important Things Clients Often Need Help With



# Protect a Client's Business Name

- **Entity Name** - An entity name can protect the name of the business at a state level. Depending on the business structure and location, the state may require you to register a legal entity name.
- **Trademark** – A trademark can protect the name of the business, goods, and services at a national level. Trademarks prevent others in the same (or similar) industry in the United States from using the trademarked names.
- **DBA** – You might need to register a DBA, also known as a trade name, fictitious name, or assumed name, with the state, county, or city the business is located in.
- **Domain Name** - If you want an online presence for a business, start by registering a domain name, also known as a website address, or URL. Once you register a domain name, no one else can use it for as long as you continue to own it.

# Assigning a Registered Agent

- A registered agent is sometimes referred to as a resident agent or an agent for service of process.
- A registered agent is a person or company officially recognized by the state where one has incorporated or registered as an LLC to accept service of process on behalf of the business.
- By law, a business needs to have a registered agent as soon as one forms an LLC or incorporates.
- Requirements vary from state to state, but typically a registered agent must be a natural person resident of the state or an entity having a business office and authorization to do business in the state.
- A PO box or other mail service cannot be used.
- A registered agent is needed in any state that a business operates in.

# Filing Articles of Formation

## Articles of Incorporation

- An Articles of Incorporation is a form that states require to set up a C Corporation.
- Each state has an Articles of Incorporation (or certificate of incorporation) form available via the website of the state agency (usually Secretary of State office) that handles business filings.

## Articles of Organization

- An Articles of Organization document is required by the state for any LLC formation.
- The Articles of Organization is a legal document containing important information about the business. The Secretary of State office must approve the document for the LLC to be recognized as a legal entity.

# Filing a BOI Report

- As of January 1, 2024, many companies in the USA will have to report information about their beneficial owners, (the individuals who ultimately own or control the company).
- Filing deadlines for BOI reports include:
  - Entities established before January 1, 2024, must file by January 1, 2025.
  - Entities formed between January 1, 2024, and January 1, 2025, should file within 90 days of registration.
  - Entities created on or after January 1, 2025, have 30 days from the effective date or public notice.



# Who Is a Beneficial Owner?

- Your client may be a reporting company and need to report information about its beneficial owners if their company is:
  - **Domestic reporting company** – A business entity created through filing a registration document with a Secretary of State (or similar) office under the law of a state or Indian tribe.
  - **Foreign reporting company** – A business entity formed under the law of a foreign country that filed a document with a Secretary of State or any similar office to register to do business in any U.S. state or tribal jurisdiction.
- This includes LLCs and C Corporations (including those with S Corporation status).
- Other entity types formed by filing registration documents with the state may be considered reporting companies. Examples include Limited Partnerships, Limited Liability Partnerships, Limited Liability Limited Partnerships, and business trusts.

# Drafting Corporate Bylaws

For **C Corporations** of any size, bylaws tell how that company will govern itself. Consider them the documented version of the company's rules.

They may include:

- The number of directors that will sit on the board
- Range and power of the directors
- Date, time and location for annual meetings of the board
- How the directors are elected or removed
- How corporate officers are appointed
- Officers' duties and powers
- Date time and location of annual shareholders meetings
- Voting rules for both directors and shareholders

# Drafting an Operating Agreement

To make sure all members of an LLC understand roles and responsibilities, an **LLC** operating agreement should be created. While most states don't require this filing, it is useful to have intact to provide evidence that personal and business affairs are separate and can help avoid misunderstandings and arguments, between business partners.

An Operating Agreement should include the following:

- Percentage of ownership and distribution of profits
- LLC's management structure, members roles and responsibilities
- How decisions will be made
- Member exit details
- Business dissolution

# Obtaining an EIN

- An Employer Identification Number (or EIN for short) is also referred to as a Federal ID number, Tax ID Number, or Federal Tax ID Number.
- It is a nine-digit number used for tax filing and reporting and for other business documentation purposes.
- Having an Employer Identification Number helps separate the business owner from the business.
- A valid EIN is optional if you're a sole proprietorship, but if a business acts as a Corporation, Limited Liability Company, or a partnership, it is required by law to have one.
- You can apply for an EIN online through the IRS' website, or you can have third-party companies like CorpNet do the work for you.
- To file for an EIN, you'll simply need to provide basic business information such as the legal business name, address, responsible parties, and a general statement that describes the business activity.

# Obtain Business Licenses and Permits

- **Federal Licenses** - Businesses regulated by a federal agency need a federal license. Start at the federal agency the business falls under and you will be directed to the appropriate state agency to secure a license. For example, businesses that sell, manufacture, import or wholesale alcohol, are regulated by the Alcohol and Tobacco Tax and Trade Bureau.
- **State and Local Licenses** - The Secretary of State and the city's business licensing office will know what other licenses are required for the business. For example, you may need a special license to have an in-home daycare center or pet grooming facility license.
- **Specialty Licenses** - Specialty licenses come from the school or industry licensing agency for specific professions, such as hair and nail salons, plumbers, and more.
- **Sales Tax License** - Businesses selling products and services subject to sales taxes need a sales tax license from the state tax authority office.

# Register for Payroll Taxes

- Another critical step that businesses hiring employees must take is to register for payroll taxes.
- In the United States, tracking, reporting, and paying payroll taxes are required legally to hire and pay employees.
- Some taxes must be withheld from employees' paychecks, and the employer must pay some.
- Businesses must register for the appropriate payroll tax accounts at the state and federal levels (and sometimes the local level if there is a local withholding tax) to process employee payroll and file returns.



# Register for Payroll Taxes

The rules and requirements vary by state, but generally, payroll taxes might include:

- Federal Income Tax
- State Income Tax (SIT)
- Federal Unemployment Insurance Act (FUTA) Tax
- State Unemployment Insurance Tax (SUI)
- Social Security Tax
- Medicare Tax
- Local Income Tax

# Keep the Business Compliant

- Keep a business bank account and transactions separate from personal finances.
- Renew business licenses and permits.
- File an annual report (if required by the state).
- Hold an annual member meeting and record meeting minutes.
- File and pay taxes.
- Inform the state of any significant changes to the business, such as moving to a new location or adding (or removing) members.

# Helping Clients Without Giving Legal Advice



# You Can Safely Help Clients

You may give advice about the effects a business structure will have on clients' tax obligations.

Example questions you **can safely answer**:

- Will pass-through taxation, S Corporation tax treatment, or taxation as a corporation be most beneficial financially to a client who is forming an LLC?
- What options does a General Partnership have if its owners want to lower their self-employment tax burden?
- Which states offer the most favorable tax rates for a corporation?

# Topics to Avoid

You may not give advice about liability ramifications of the various business entity types.

Example questions **you should avoid**:

- What are the personal liability advantages of changing from a Sole Proprietor to an LLC?
- What should clients include in their operating agreement?
- Which state will offer the most favorable legal environment for a corporation?

# Debunking the Legal Advice Myth

Accountants, CPAs, Bookkeepers, Business Coaches and other professionals can take information from a client and transfer it to the state via the required business registration documents. The person who is preparing and filing the paperwork is merely acting as a scribe. Forms you can help with are:

- Articles of Organization
- Articles of Incorporation
- DBA applications (Fictitious Name)
- Trademark applications
- Annual Reports
- Registered Agent renewals



# Helpful Resources





# CorpNet Tools Are Your Resources

- Business Name Search Tool
- Interactive Business Structure Wizard Tool
- CorpNet Compliance Portal With Monitoring and Proactive Alerts
- Annual Meeting Minutes Services
- Business Guides and Checklists
- The CorpNet Blog



YOUR TRUSTED PARTNER FOR:

## Incorporation, Business Filings & Corporate Compliance Services

### Become a CorpNet Referral or White-Label Reseller Partner

Refer your clients to CorpNet or offer services for entity formations, business filings, state tax registrations, and compliance services. Refer and earn a commission on each sale, or simply pass on the savings to your clients as a discount. Resell and it is your client, your brand and we do all the work!

FAST

EASY





RELIABLE

AFFORDABLE








100%  
GUARENTEED

#### Refer to Enhance Your Services

-  Refer your clients to a trusted resource
-  Earn commissions on each sale
-  Waive your commissions and “pass the savings” as a discount to your clients
-  Get 24/7 white glove treatment from the experts in the industry

#### Resell to Attract More Clients & Increase Revenues

-  Get wholesale discounted pricing
-  Request private white-label services
-  Set your own pricing
-  Get 24/7 personalized support
-  Get expert knowledge at your fingertips

#### Your New Service Offerings

- Incorporation and Business Filings
- Fictitious Business Names
- Payroll and State Tax Registrations
- Annual Compliance and Monitoring
- Amendments and Modifications
- Dissolutions and Withdrawals
- Registered Agent Services
- And much more and **in any state!**

Partner with us as a CorpNet Reseller | Apply now at [www.corpnet.com/partners](http://www.corpnet.com/partners) | 1.888.449.2638

## Would you like to learn more about working with CorpNet?

- Yes, I am interested in possibly using CorpNet within my organization
- Yes, I am interested in learning more about CorpNet's partner program
- Not at this time



## Polling Question #4



Have Questions?

[www.corpnet.com](http://www.corpnet.com) | 1.888.449.2638