



## ENTITY SELECTION/LLC FORMATION APPLICATION FORM

Please write legibly and answer ALL questions. If not applicable put N/A. An incomplete application may result in rejection of application.

### EXISTING BUSINESS INFORMATION (IF APPLICABLE)

EXISTING BUSINESS STRUCTURE  Sole Proprietorship  Corporation

Business Name	Principal Owner Name	Date
Physical Address	City	State ZIP
UBI Number	EIN Number	Date Filed City and State Where Filed

### NEW COMPANY/BUSINESS INFORMATION

Effective Date of New Entity Formation

\_\_\_\_\_

NEW COMPANY STRUCTURE	NEW TAX STRUCTURE
<input type="checkbox"/> General C Corporation	<input type="checkbox"/> 1120 <input type="checkbox"/> 1120A
<input type="checkbox"/> General S Corporation	<input type="checkbox"/> 1120S
<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> 1065 <input type="checkbox"/> 1120S
<input type="checkbox"/> Non-Stock/Nonprofit Corporation	<input type="checkbox"/> 990 <input type="checkbox"/> 501

Company Names must include identifiers. For General Corporations valid identifiers are "Inc.", "Incorp." or "INC." For a Limited Liability Company valid identifiers are "LLC" or "L.L.C."

Business Name	Alternative Name	DBA (Doing Business As) Name(s)
Physical Address (No P.O. Boxes)	City	State ZIP
Mailing Address	City	State ZIP
Phone 1	Phone 2	Fax Email

### DIRECTORS, MEMBERS OR MANAGERS INFORMATION

Name 1	Title	Home Phone Number	Social Security Number	Date of Birth	Percentage of Ownership
Physical Address	City	State	ZIP		
Mailing Address (if different from above)	City	State	ZIP		
Spouse Name	Spouse SSN	Spouse Date of Birth	Your Authorization Signature		

Name 2	Title	Home Phone Number	Social Security Number	Date of Birth	Percentage of Ownership
Physical Address	City	State	ZIP		
Mailing Address (if different from above)	City	State	ZIP		
Spouse Name	Spouse SSN	Spouse Date of Birth	Your Authorization Signature		

Name 3	Title	Home Phone Number	Social Security Number	Date of Birth	Percentage of Ownership
Physical Address	City	State	ZIP		
Mailing Address (if different from above)	City	State	ZIP		
Spouse Name	Spouse SSN	Spouse Date of Birth	Your Authorization Signature		



**GENERAL BUSINESS INFORMATION**

Nature of Business, principal products you sell or service you provide in Washington \_\_\_\_\_

Name of Registered Agent \_\_\_\_\_

Anticipated Gross Annual Revenue in First Year \_\_\_\_\_

Do you currently hold a contractors license?  Yes  No If yes, state registered in \_\_\_\_\_

**PAYROLL**

**Owner Information**

How many Owner(s)/Officer(s) will be taking a salary? # \_\_\_\_\_

Do you want unemployment insurance coverage for corporate officers?  Yes  No

Do you wish to apply for elective workers' compensation coverage for owners?  Yes  No

Do you wish to apply for elective workers' compensation coverage for excluded employment?  Yes  No

**Employee Information**

Will this business have payroll?  Yes  No

How many employees currently on payroll? # \_\_\_\_\_ What is the first date wages were/will be paid? \_\_\_\_\_

Do you expect to pay less than \$4000 in total wages during the next full calendar year (January – December)?  Yes  No

Number of persons you plan to employ in the next 90 days at this location? # \_\_\_\_\_

Will you hire minors to work?  Yes  No

Employee Work Duties: Describe the activities of your employees. (Example; Warehouse, Delivery, Office, Sales)

**NOTES AND ADDITIONAL INFORMATION**

**DISCLAIMER AND AGREEMENT**

By signing below, you authorize Action Tax Service, LLC/Action Tax to set up the entity you have specified, under your name, and prepare all corresponding state and federal documents for the creation of this entity. Also, you understand fully that the acceptance of your entity is a time-sensitive activity, and is not the decision of Action Tax. The Internal Revenue Service may choose NOT to accept your "retroactive" entity election through no fault of Action Tax Services, LLC Action Tax. Due to the fact that Action Tax staff will have already prepared documents, incurred costs and performed work on your behalf to get the date of the entity accepted that you are asking for, if the entity is ultimately not accepted by the IRS, no refund will be issued. It is likely that the result will be an entity with a later date of acceptance, which, by signing below, you are accepting any and all financial, tax and preparation costs to complete. Fees paid to Action Tax Services, LLC for this entity formation is non-refundable.

Furthermore, I have read the "Entity Guidelines for Small Business" which outlines the responsibilities of the entity status. This is not intended to fully cover all of the aspects of the entity status but in form you further deadlines and activities associated with your entity elections.

\_\_\_\_\_  
Name 1 Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name 2 Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name 2 Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## ENTITY GUIDELINES FOR SMALL BUSINESSES

Congratulations on your decision to become an S Corporation. There are several tax advantages you may be eligible for, so please take the time to meet with our corporate tax experts to determine what you might need to prepare or set up to do. Most likely, you are structured as an LLC (Limited Liability "Company") at the state level. As such, all correspondence and reference to your business should be as an LLC and not as an S Corporation, unless it is specifically regarding how you are taxed. At the federal level, you are taxed as an S Corporation, and there are a few things you must do to make this legal entity solid and effectively a corporation, and be protected under what is legally called a corporate umbrella.

- 1 Corporate tax returns, (Form 1120, 1120S) must be filed by March 15th of following tax year or an extension to file, (Form 7004). The extension to file expires on September 15th following the tax year. IRS fines for late filing of the corporate return are heavy and costly. If your entity election starts after the date of March 15th you may incur late filing fines.**
- 2 Take officer payroll and complete payroll reports. This is a requirement of S-Corporation status by law if profitable. Determine if a salary is appropriate for active shareholders.** If you are actively participating in the business as a shareholder of the business, it is required by federal law that you take a "reasonable" salary for the activity you perform. Our staff can assist you in determining if you should begin or continue taking earned income, and how much. Some strategy goes into minimize liability and maximizing tax savings related to this. An Officer Payroll Packet has been included in your folder.
- 3 Open a new bank account** under the EIN# of the Corporation, with you listed as one of the members. Provide the bank with the LLC documents we provided after completing the process for you, or those you have in your possession. Always deposit 100% of business income and any shareholder contributions to the business in this account, and make only business purchases from this account.
- 4 If applicable, change insurance and bond information.** If you are carrying insurance and/or a bond for this business, it is imperative that you set up all of this in the name of the LLC. You are a new entity, and your insurance in it's present state will not cover this new entity.
- 5 Do not Commingle Funds.** Commingling is combining personal purchasing and spending with business cash activities. You may be eligible for withdrawal of "non-taxable dividend distributions as a shareholder." Draw money classified as dividends or salary, then deposit it into a personal account, then purchase all your personal items as you choose. Do not use the business account for any form of personal spending, or it will very likely create personal taxable income to you.
- 6 Look at further tax shelters.** It could be very tax beneficial to take a salary combined with and IRA, to set up a SEP IRA or other form of company contributing retirement account. Also, depending upon circumstances, you may look at company use of personal residence, loan indebtedness to the shareholders and various other tax beneficial techniques.
- 7 Remember to always file your Annual Report.** We filed your first annual report at the time of setting up your entity, but within the year you will receive your second one. Remember to renew this, or your entity could get automatically dissolved. Change of ownership, registered agent and address changes can be made on this form as well.
- 8 Change all company forms to the new name.** If your company changed names, even if just adding LLC to the end, it is imperative that you have letterhead, envelopes and various other forms changed to this, unless you are operating under a DBA name, in which case that registered DBA name can be used in place of the registered, legal name.
- 9 Clear up any prior outstanding tax activities.** If prior to incorporating, you had outstanding taxes or incomplete reports under the old EIN# or previous entity, it is critical that these get wrapped up, as incompleteness will not allow old accounts to be closed. You must inform us of these unpaid balances or non-filed reports, so we do not close these accounts, or so we can transfer all appropriate activity into the LLC if applicable. If you receive future forms to file with old accounts, and you are operating under the correct new accounts, close these accounts on the forms you received, so they do not go delinquent, as this could result in an unnecessary audit. And, if you are doing payroll, be sure that all tax reports from the date the corporation was made affective all have the same tax ID numbers.
- 10 Start a new set of bookkeeping and recordkeeping.** As you are now a new entity at the federal level, it is critical to keep accurate books from the date the corporation was made affective. So from that date forward, complete all bookkeeping work. We can assist you if needed, but it is critical to have your corporation records and bookkeeping complete and organized.
- 11 Review everything.** Review all the corporation documents you receive from our firm at the completion of the S Corporation setup. Review the final letter you receive from us identifying certain laws to abide by. Review the S Corp tax laws either with us or online at [www.irs.gov](http://www.irs.gov). Make sure all is correct, and if it is not, let us know immediately.

## CONGRATULATIONS.

**WE ARE SO GLAD TO BE A PART OF YOU SAVING MONEY AND PROTECTING YOUR BUSINESS FOR THE LONG-TERM FUTURE.**