

10 TOP TIPS

to Incorporate Your Small Business

1 Start With The End In Mind.

What are your long-term goals? Are you going to need to raise capital? Will you have partners? How are you going to exit the business? These are just a few things you need to consider.

2 Know The Benefits.

Corporations and LLC's offer liability protection, tax savings, credibility, legitimacy, estate planning, and numerous other benefits, but they are not created equal.

3 Understand Your Obligations.

When you incorporate or form an LLC you need to stay legal to keep your liability protection. This includes but is not limited to minutes, resolutions, annual meetings and federal and state filings.

4 Understand Your Options.

Corporations and LLC's vary in management, benefits and taxes. Comparing your options is important in making the right decision.

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5 Know When To Form Your Company. Timing is Everything.

If you're getting ready to start a business, have personal assets to protect or are already in business, then the time to incorporate or form an LLC is now.

Pick a State.

Most people will incorporate in the state in which they do business. Where you incorporate is where you will need to meet the legal requirements for operating.

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6 Choose A Company Name.

If the name you want is similar to another business name or includes restrictive words then the state may reject it.

7 Form Your Company.

1 Do-It-Yourself: Filing the documents can be confusing and costly if done wrong.

2 Hire an attorney: Can be expensive.

3 Use a service that specializes in business structuring.

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C-Corporations are taxed at their own tax rate.

S-Corporations are taxed at the individual shareholders' tax rates.

LLCs can be taxed four different ways: as a Sole Proprietorship, a Partnership, a Corporation or an S-Corporation.

9 How Will Your Company Be Taxed?

10 Do It Right.

Making the wrong choice can cost you extra fees, additional taxes, reduced benefits and loss of liability protection.

Laughlin Associates is a leader in the Corporation and LLC formation and management business. Since 1972 we have helped over 80,000 entrepreneurs achieve their dream of business ownership.

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