

WELCOME

LLCs Made Simple

(So You Can Finally Get It Done)

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What's the Plan

- Choosing the right entity: Sole Proprietor vs. LLC vs. S Corp
- Liability misconceptions
- Tax structures & benefits
- Financial best practices
- Required documents
- Step-by-step guide to registering an LLC in NY
(without a lawyer)



WELCOME

LLCs Made Simple

(So You Can Finally Get It Done)

Understand Your Options

Sole Proprietorship

Ideal for freelancers or small side businesses, offering simplicity but limited liability protection.

LLC

Provides liability protection for small businesses, separating personal and business assets.

S-Corp

Suited for businesses planning to pay owners a salary, offering tax benefits but requiring more complex filings.

Sole Proprietorship

Do you have a pulse?

Best For: Freelancers, small side businesses

Liability Protection: NONE

Taxation: Self-employment tax on all profits

Complexity: Easiest (No Separate Filings)

Limited Liability Company

LLCs - Why you're here....

Best For: Small businesses, those needing liability protection

Liability Protection: Personal assets protected (if properly managed)

Taxation: Default: Pass-through (Self-employment tax)

Complexity: Easiest Moderate
(Articles of Organization, Operating Agreement)

Misconceptions About LLCs and S Corps

- **LLC DOES NOT:** Automatically protect you from lawsuits (must maintain separation from personal finances)
- **LLC DOES:** Provide liability protection IF properly structured
- **S Corp DOES NOT:** Mean you avoid all taxes
- **S Corp DOES:** Allow tax savings on distributions, but requires payroll setup



Taxes!

Table 1

Entity Type	How It's Taxed	Key Tax Advantages
Sole Proprietor	Self-employment tax (15.3%) on all profits	Simple, no corporate tax
LLC (default)	Pass-through taxation (profits taxed as personal income)	Flexibility to later elect S Corp
LLC (S Corp Election)	Owners take salary + remaining profits as distributions	Distributions not subject to self-employment tax
S Corp	Must run payroll, pay owner a “reasonable salary”	Reduces self-employment tax burden

So, You Need an LLC?

Essential Documents

Articles of Organization

Form DOS-1336, the official document registering your LLC. \$200 fee.

Operating Agreement

A contract outlining ownership, responsibilities, and decision-making within the LLC.

EIN (Employer Identification Number)

Obtained from the IRS, necessary for tax purposes and banking.

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Post-Filing Requirements

You Think You're Done - But You're Not

Publish Formation as Legal Notice

- Call County Clerk for options (Ex: Sentinel & Waterville Times)
- Publish a Legal Notice (6 Weeks)
- Within 120 Days

Obtain Affidavit

Newspapers will send paper or electronic notice. Save/Print!

File 'Certificate of Publication'

- Form DOS-1708-f (Certificate of Publication)
- Attach Affidavits
- Pay the \$50 filing fee

Fees and Maintenance

New York LLC Annual Filing Fee (\$25 – \$4,500)

- Who pays? Only LLCs taxed as a partnership or disregarded entity (default taxation).
- **What is it?** A state fee based on your LLC's **gross income earned in New York**.
- When is it due? March 15 of each year.
- **How to file?** By submitting **Form IT-204-LL** to the NY Department of Taxation.

Biennial Statement (\$9 every 2 years)

- **Who files?** All LLCs registered in NY.
- **What is it?** A simple filing to update your business address and contact details with the NY Department of State.
- **When is it due?** Every **two years** in the **anniversary month** of your LLC's formation.
- How to file? Online via the [New York Business Express website](#).

Do You Need An EIN?

LLCs:

If you're the sole owner, you can technically use your SSN, but an EIN is recommended

LLCs with Employees

EIN required

S Corp

EIN required

NY or Delaware (Dela-Where?)

New York

Simplicity: Forming your LLC in New York, where you operate, simplifies compliance and avoids the need for foreign qualification.

Cost-Effective: Avoids additional fees and paperwork associated with operating an out-of-state LLC.



NY or Delaware (Dela-Where?)

Out of State:

Perceived Benefits: States like Delaware and Wyoming are known for business-friendly laws and tax advantages.

Foreign Qualification: If your business operates in New York but is formed elsewhere, you must register as a foreign LLC in New York, leading to extra fees and compliance requirements.

- **Additional Costs:** Maintaining an out-of-state LLC can incur higher costs due to dual-state compliance.



When Your LLC Does NOT Protect You

Negligence: If you personally cause harm while conducting business (e.g., a contractor causing damage at a client's property), you can be held personally liable.

Fraudulent Activities: Engaging in fraudulent activities removes liability protection, exposing personal assets.

- Piercing the Corporate Veil:
 - **Definition:** Courts may disregard the LLC structure if it's found to be a facade for personal dealings or if corporate formalities are ignored.





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Questions?

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