CLIENT GUIDE

Start your company the right way.

A plain guide to forming an LLC or a corporation. Read it before our application, and your filing goes right the first time.

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This is a general guide.

Each state has its own filing procedures, forms and fees. Our team handles the state side. This guide explains the questions on our application, so you can answer them with confidence.

The steps, start to finish.

Ten steps. Our team does the state filing. You bring the answers.

1 Pick your structure

LLC or corporation. Most small businesses start as an LLC. See page 03.

2 Pick your state

Usually the state where you work. Form somewhere else, and you also register at home (page 07).

3 Choose your name

Unique on the state record, with the right ending like LLC or Inc. Give us three picks.

4 Write your purpose

One clear sentence on what the business does. Banks and licensing offices ask for it.

5 Set your principal address

The street address where the business is run. Banks and licenses go by it.

6 Name a registered agent

A person or company in the state that accepts legal and state notices for you.

7 List your people

Members and managers for an LLC. Shareholders, directors and officers for a corporation.

8 We file with the state

The state approves your formation document. Timing depends on the state and expedite options.

9 Get your EIN

Your federal tax ID from the IRS. It is free. You need it for banking, payroll and taxes.

10 Finish setup

Operating agreement or bylaws, a bank account, local licenses and your annual report dates.

LLC or corporation?

Both protect your personal assets when you keep business money separate. The difference is how they are owned, run and taxed.

	LLC	Corporation
Owners are called	Members	Shareholders
Who runs it	The members, or managers they choose	A board of directors, who appoint officers
Filed with the state	Articles of Organization (some states say Certificate of Formation)	Articles of Incorporation (some states say Certificate)
Internal rulebook	Operating agreement	Bylaws
Ownership	Percentages or units	Shares of stock
Default federal tax	Pass-through. Profit is taxed on the owners' returns	C corporation. The company pays its own tax
Upkeep	Lighter. Annual report and good records	More. Board meetings, minutes and stock records
Best fit	Solo owners, partners, local shops, real estate	Raising investor money, issuing stock, building to sell

NOT SURE? Most first-time owners start with an LLC. It is simpler to run, and you can still choose corporate tax treatment later (page 08). Pick a corporation when investors or stock are part of the plan.

Who's who.

Owners own it. Managers and officers run it. Sometimes that is the same person.

LLC

Members

The owners. One owner is a single-member LLC. Two or more is multi-member. Each member holds a percentage.

Managers

You pick one of two ways to run it:

Member-managed

Every member runs the business. Most common for owner-operators.

Manager-managed

Named managers run it. Other members stay passive. Common with investors, family companies and real estate.

A manager can be a member or an outside person.

CORPORATION

Shareholders

Own the stock. They elect the board and vote on big decisions.

Directors

The board. Sets direction, approves major moves and appoints the officers.

Officers

President

Runs the company day to day.

Secretary

Keeps records, minutes and the stock ledger.

Treasurer

Oversees money, books and taxes.

In most states one person can hold every role.

For each person, our application asks for:

Full legal name | Address | Role or title | Ownership % or shares

Your name and your purpose.

PICKING YOUR NAME

Unique
Different from every company already on the state's record.

The right ending
LLC or L.L.C. for an LLC. Inc. or Corp. for a corporation. States keep their own lists.

Restricted words
Bank, Trust, Insurance, University and similar words need extra approval.

No look-alikes
Nothing that sounds like a government agency.

- Give us 3 choices, in order
- Check the domain and social handles
- Search trademarks at USPTO.gov

Selling under a different name? That is a DBA, or assumed name. It is a separate filing.

YOUR BUSINESS PURPOSE

Many states accept a general purpose, like "any lawful business." Banks, licensing offices and the IRS still want one plain sentence on what you actually do. Write it like these:

GOODS	Sells handmade candles and home goods online and at local markets.
SERVICES	Provides residential cleaning services in the Chicago area.
REAL ESTATE	Owns, leases and manages residential rental property.

Licensed professions like law, medicine, accounting and architecture may need a professional LLC or corporation.

Your address and your registered agent.

PRINCIPAL BUSINESS ADDRESS

Where the business is run. It goes on your state filing, and it is the address your bank and licensing offices will need.

Bank account | Business licenses | IRS and EIN | Annual report

Use a real street address. Most states and banks will not take a PO Box.

It can be a home, an office, or a virtual office with a real suite number.

Your mailing address can be different. Our application asks for both.

Need a Chicago address? A Lobi Virtual Office gives you a real street address with a suite number.

WHAT IS A REGISTERED AGENT?

The person or company named on the public record to receive official papers for your business. Every LLC and corporation needs one.

Accepts legal papers
Lawsuits and court papers, delivered in person.

Gets state mail
Annual report reminders, tax letters, notices.

Forwards it fast
So you never miss a deadline.

The rules: a street address in the state where you form, and in every state you register in (page 07). Open during business hours. An adult or a company allowed to act as agent.

Can I be my own? Yes, with an in-state street address where you are every business day. Your name and that address go on the public record.

Lobi Registered Agent covers Illinois. Outside Illinois, a trusted Lobi partner serves as your agent.

Forming in one state, working in another.

Your company is formed in one state. If it does business in another state, it registers there too. That is called foreign qualification. "Foreign" just means out of state.

Usually counts as doing business

An office, store or warehouse there

Employees working there

Property you own or rent there

Regular in-person work there

Each state sets its own test. Occasional online sales often do not count.

What registering takes

A certificate of good standing from your home state

A foreign registration filing in the new state

A registered agent in that state

Annual reports and fees in both states

DELAWARE, WYOMING OR NEVADA?

Forming there but working from Illinois? You still register in Illinois. That means two sets of state fees, two annual reports and two registered agents.

It can make sense for some holding companies and investor-backed startups. For most local businesses, form at home.

⚠ **Skipping it costs more.** States can charge penalties and back fees, and your company may not be able to bring a lawsuit in that state's courts until it registers.

Already formed and need to register in another state? Tell us on the application and we will take it from there.

How the IRS taxes you.

The state forms your company. The IRS decides how it is taxed. Every entity gets a default, and most can elect a different one.

YOU FORM	IRS DEFAULT	YOU CAN ELECT
Single-member LLC	Disregarded entity. Profit goes on the owner's personal return, usually Schedule C.	C corp (Form 8832) or S corp (Form 2553)
Multi-member LLC	Partnership. Files Form 1065. Each member gets a K-1 for their share.	C corp (Form 8832) or S corp (Form 2553)
Corporation	C corporation. Files Form 1120 at a 21% federal rate. Dividends are taxed again to owners.	S corp (Form 2553), if eligible

What is an S corp?

A tax choice, not a business type. Profit passes through to owners. Owners who work in the business take a reasonable salary.

Limits: up to 100 shareholders, US citizens or residents, one class of stock. File Form 2553 within 2 months and 15 days of the start of the tax year.

Your EIN

Your company's federal tax ID. It is free from the IRS. Banks, payroll and tax returns all need it.

Online applications need an SSN or ITIN for the owner in charge. No SSN or ITIN? Form SS-4 goes by fax or mail (page 09).

FinCEN ownership reports

Since August 2026, companies formed in the US no longer file beneficial ownership reports with FinCEN. Foreign companies registered in the US still do, and some states have their own rules.

Taxes are personal. Talk to a CPA before you choose an election.

No SSN? You can still own a US company.

You do not need to be a US citizen or resident to form an LLC or corporation here. A few steps work differently.

1. **Form the company.** Same state filing as anyone else, with a registered agent and a US business address.
2. **Get the EIN on Form SS-4.** The online application needs an SSN or ITIN. Without one, Form SS-4 goes to the IRS by fax or mail.
3. **Get an ITIN if you need one.** Your personal tax ID when you cannot get an SSN. Apply on Form W-7, usually with a tax return, or through an IRS Certifying Acceptance Agent.
4. **Open the bank account.** Bring your passport. Many banks ask foreign owners to visit in person (page 12).

No S corp

Nonresident owners cannot hold S corp shares. Choose an LLC or a C corp.

A yearly IRS filing

A single-member LLC with a foreign owner files Form 5472 with a pro forma Form 1120 every year, even with no income. Missing it is costly.

FinCEN reports

A company formed in the US does not file a FinCEN ownership report, even with a foreign owner. A company formed abroad and registered here still does.

Ask about our foreign entity package: the US LLC, the EIN without an SSN and your registered agent in one order.

Goods, services or real estate.

What you sell shapes your setup. Here is the common path for each.

Selling goods

Retail, online stores, wholesale, food, making products

Common setup: LLC, member-managed

- Sales tax permit in each state where you owe sales tax.
- Product liability insurance.
- Resale certificate to buy inventory without sales tax.
- Local license, plus health permits if you sell food.

Selling services

Consulting, trades, cleaning, creative, professional work

Common setup: LLC, with an S corp election once profit is steady

- Trade or professional license where required.
- Written client contracts and liability insurance.
- Licensed professions may need a PLLC or PC.
- Most services skip sales tax, but some states tax certain services.

Real estate holding company

Rentals, land, a building your business uses

Common setup: LLC, often manager-managed

- Rarely a corporation. Taking property out of a C corp can trigger tax.
- Deed the property into the LLC. Ask your lender first.
- One LLC per property, or a series LLC where the state allows it.
- Insure it in the LLC's name. Rent goes to the LLC's bank account.

After you file.

Approval is the start, not the finish. Here is what you get back and what comes due every year.

WHAT YOU GET BACK

- Approved formation document from the state
- EIN confirmation letter from the IRS
- Registered agent confirmation
- Your Lobi portal login

YOUR YEARLY CALENDAR

- **Annual report.** Most states, every year or two
- **State franchise tax,** where your state has one
- **Registered agent** renewal
- **Tax returns** and local license renewals

Your documents are already in your Lobi portal.

Your operating agreement template and basic company documents are ready to fill in. Your formation papers and EIN letter live there too, with compliance tracking so your due dates do not sneak up on you.

Miss an annual report and it adds up.

The state can add late fees, mark you not in good standing, and in time dissolve the company. Banks and lenders check your standing.

Opening the bank account.

Banks check who owns and controls the company. Come ready and it takes one visit.

BRING THESE

- [ ] Approved formation document from the state
- [ ] EIN confirmation letter
- [ ] Operating agreement or bylaws (template in your Lobi portal)
- [ ] Government photo ID for every signer
- [ ] Details on anyone owning 25% or more, plus one person in control
- [ ] A company resolution naming who can sign, if the bank asks

Match everything

Exact legal name and the same address as your state filing. Mismatches slow approval.

Proof of address

Banks check your principal address. Have your lease or virtual office agreement ready.

Online or in person

Many banks open accounts online. Foreign owners often need to visit a branch.

Never mix

Business money in, business money out. That keeps your protection (page 13).

Banks still collect ownership details under their own federal rules, even though FinCEN reporting ended for US companies.

Keep your protection, and your privacy.

Your company keeps business debts off your personal assets. Courts can ignore that shield when owners treat the company like a personal wallet. Five habits keep it strong.

1. **Separate bank account.** Never pay personal bills from it.
2. **Sign as the company.** "Ana Lopez, Manager, Acme LLC," not just your name.
3. **Keep your records.** Operating agreement or bylaws, ownership records and written decisions.
4. **Stay in good standing.** File annual reports and keep a registered agent.
5. **Fund it and insure it.** Enough money and insurance to cover the business's own risks.

Why the operating agreement matters

Even where your state does not require one, it sets who owns what, who decides, and what happens if someone leaves. It replaces your state's default rules, and banks ask for it.

Our operating agreement template and basic company documents are ready in your Lobi portal. Negotiated deals, like buy-sell or partner agreements, go to our partner attorney.

Your public record

Formation filings and annual reports are public. Using a registered agent and a business address keeps your home address off them. Many states also list managers or officers by name.

Your application checklist.

Have these ready and our application takes minutes.

- [ ] Entity type and state of formation — p. 03, 07
- [ ] Three name choices, in order — p. 05
- [ ] Business purpose in one plain sentence — p. 05
- [ ] What you sell: goods, services or real estate — p. 10
- [ ] Principal business address, plus mailing address if different — p. 06
- [ ] Registered agent: Lobi, or your own in-state street address — p. 06
- [ ] Every person: legal name, address, role and ownership — p. 04
- [ ] LLC: member or manager-managed. Corp: directors, officers, shares — p. 04
- [ ] SSN or ITIN for the EIN. Never send it by email. — p. 08, 09
- [ ] Tax plan: IRS default or an election, after a CPA check — p. 08

Home base for your business.

lobispace.com

Lobi Guarantee. Filed wrong? We fix it at our cost.

Scan to start your filing

General guide, current as of November 2026. Each state sets its own filing procedures, forms and fees. Lobi Space is not a law firm and does not give legal or tax advice. We prepare and file documents at your direction.