

Limited Liability Partnership Formation Fact Sheet

Limited liability partnerships (LLP) are made up of persons who are licensed to provide certain professional services. LLPs provide limited liability to each partner through the entity itself, although it is still wise for each partner to maintain their own malpractice insurance. Partnerships are pass-through entities, so profits and losses are reported directly on each partner's personal tax return. LLPs may only be formed by certain types of professionals, such as attorneys, licensed physicians and those listed at: <http://www.op.nysed.gov/prof/>. Visit <http://www.op.nysed.gov/corp/pcorpllp.htm> for more Guidelines for Limited Liability Partnerships.

Below is a general overview of the process to set up an LLP in New York State:

Enter into the Partnership Agreement

- The agreement identifies the individual rights and duties of the partners regarding the business, including its funding, management, and profit and loss sharing
- Some common issues addressed in LLP Agreements include:
 - Name and purpose of partnership and date of creation
 - Contributions (cash/property/work) of each partner
 - Each partner's share of profits and losses
 - Each partner's management powers and duties
 - Provisions for taking profits out of the company
 - How to add or remove a partner
 - How to resolve disputes among partners
 - How to wind down the partnership

TIP: Check whether your business name is available **before** signing the Agreement by searching here: http://www.dos.ny.gov/corps/bus_entity_search.html

File the Certificate of Registration with the New York Department of State

- Includes name of the LLP (which must end with "Limited Liability Partnership" or "LLP"), county of formation, address of LLP's principal office, profession to be practiced by LLP, and the address for serving any legal papers
- How to file
 - By mail or in person to the address on the form at: <https://www.dos.ny.gov/forms/corporations/1526-f.pdf>
 - By fax to the Division of Corporations at (518) 474-1418
- Filing fee for Certificate of Registration is \$200
- Submit a Certified Copy of the Certificate of Registration to the NYS Education Department, Office of the Professions, P.C. Unit, 89 Washington Avenue, Albany, NY 12234 within 30 days of filing it with DOS.

NOTE: Follow these instructions to request a Certified Copy from DOS: https://www.dos.ny.gov/corps/faq_copies.page.asp

Comply with the Publication Requirement

- New York law requires LLPs to file a copy of the Certificate of Registration or a notice regarding the LLP's formation in two newspapers, assigned by the county clerk of the county in which the LP's principal office is located, for 6 consecutive weeks. Newspapers will provide affidavits of publication.
 - Total fees charged by newspapers could range from \$750 - \$2000+
- Mail the affidavits of publication and a Certificate of Publication to the Department of State within 120 days of filing the Certificate of Registration. Here's a link to the Certificate of Publication: (<https://www.dos.ny.gov/forms/corporations/1713-f.pdf>)
 - The filing fee for Certificate of Publication is \$50.

Obtain an EIN

- EIN stands for Employer Identification Number. You don't need employees to get an EIN; it's just a number the government uses to identify your business, much like your social security number is used to identify you.
- An EIN will allow you to open a business bank account and apply for business licenses, among other things.
- How to get an EIN:
 - Apply online (to get EIN immediately): <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
 - File IRS Form SS-4 (can take up to two weeks to get an EIN): <https://www.irs.gov/pub/irs-pdf/fss4.pdf>

This resource is provided for informational purposes only and does not cover all of the issues that could arise when setting up a limited liability partnership. For more information, contact an attorney.