

## 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/pcorllp.htm> for more Guidelines for LLPs.

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
  - Provisions for taking profits out of the company
  - Contributions (cash/property/work) of each partner
  - How to add or remove a partner
  - Each partner's share of profits and losses
  - How to resolve disputes among partners
  - Each partner's management powers and duties
  - 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](http://www.dos.ny.gov/corps/bus_entity_search.html)

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

- Certificate of Registration must include the name of the LLP, county of formation, address of LLP's principal office, profession to be practiced by LLP, and the address for serving any legal papers
- Business name must include and end with "Limited Liability Partnership" or "LLP"
- 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](https://www.dos.ny.gov/corps/faq_copies.page.asp)

### Start the Process to Comply with the Publication Requirement

- New York law requires newly formed LLPs to file a copy of the Certificate of Registration or a notice regarding the LLP's formation in two newspapers for six consecutive weeks
- The information in the published notice, including the name of the LLP, must match the Department of State's records exactly as it is on the Certificate of Registration
- Newspapers must be assigned by the county clerk of the county in which the LP's principal office is located
- Each newspaper will provide an affidavit of publication
  - Total fees charged by newspapers could range from \$750 - \$2000+

Visit <http://www.op.nysed.gov/corp/pcorllp.htm> for more Guidelines for Limited Liability Partnerships

### 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 and get an EIN immediately: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
  - Mail or Fax IRS Form SS-4 (can take four to five weeks to get an EIN): <https://www.irs.gov/pub/irs-pdf/fss4.pdf>
    - Mail to: Internal Revenue Service, Attn: EIN Operation, Cincinnati, OH 45999
    - Fax to: 855-641-6935

### Finish Complying with the Publication Requirement

- Mail the affidavits provided by the publishers of each newspaper and a Certificate of Publication to the Department of State within 120 days of filing the LLP's Certificate of Registration
  - Filing fee for Certificate of Publication is \$50
  - Certificate of Publication Form can be found at: <https://dos.ny.gov/system/files/documents/2019/01/1713-f.pdf>
  - Mail to: New York Department of State, Division of Corporations, One Commerce Plaza, 99 Washington Avenue, Albany, NY 12231

***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.***