

## Limited Partnership Formation Fact Sheet

A limited partnership (LP) consists of at least 1 general partner and 1 or more limited partners. General partners provide money to the business, manage its day-to-day operations, receive profits in proportion to their ownership share, and are *personally liable* for all debts of the partnership. Limited partners, on the other hand, infuse capital into the business; since they can limit their liability to the extent of their investment by remaining passive investors, they typically are not involved in the day-to-day operations. Partnerships are pass-through entities, so profits and losses are reported directly on each partner's personal tax return.

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

### Enter into the Partnership Agreement

- The agreement identifies who the general and limited partners are as well as their individual rights and duties regarding the business, including its funding, management, profit and loss sharing
- Some common issues addressed in LP 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 Limited Partnership with New York Department of State

- Information required on the certificate includes the name of the LP, county of formation, identity and addresses of the general partners, business address of the LP, address for serving any legal papers, and the LP's expected dissolution date, if any.
- Business name must include the words "Limited Partnership" or "L.P."
- How to file:
  - By mail or in person to the address on the form at:  
<https://dos.ny.gov/system/files/documents/2022/06/1391-f.pdf>
  - By fax to the Division of Corporations at (518) 474-1418
  - Filing fee for Certificate of Limited Partnership is \$200

### Start Complying with the Publication Requirement

- New York law requires newly formed LPs to publish a copy of the Certificate of Limited Partnership or a notice regarding the LP's formation in two newspapers, for 6 consecutive weeks.
- Newspapers must be assigned by the county clerk of the county in which the LP's principal office is located.
- Newspapers will provide affidavits of publication upon completion of the six-weeks.
- Total fees charged by newspapers could range from \$750 - \$2000+.

### 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 Certificate of Limited Partnership
  - Filing fee for the 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 1223

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