

## Professional Limited Liability Company Formation Fact Sheet

A limited liability company (LLC) shields personal assets from liability for business debts, just like a corporation. However, unlike a corporation, which must pay its own taxes, an LLC can be structured as a pass-through tax entity: profits and losses of the business pass through to its owners, who report them on their personal tax returns just as they would if they owned a partnership or sole proprietorship. Professional LLCs (PLLCs) can only be formed by certain licensed professionals, a list of which can be found here: [www.op.nysed.gov/prof/](http://www.op.nysed.gov/prof/). Visit <http://www.op.nysed.gov/corp/pcorpdompllc.htm> for more Guidelines for PLLCs.

Here's a general overview of the process you'll need to go through to set up a PLLC in New York State:

### Obtain a Certificate of Authority from the NYS Education Department

- The PLLC must generally be made up of licensed professionals and may provide multiple professional services (with some exceptions – speak to an attorney for more information)
- Submit a signed copy of the Articles of Organization with a check or money order payable to the New York State Education Department of \$10.00 per member/manager
- Address for submission: The New York State Education Department, Office of the Professions, P.C. Unit, 89 Washington Avenue, 4th Floor, EBA, Albany, NY 12234
- If the Education Department is satisfied with the information provided, it will send the filer of the Articles a **Certificate of Authority** that authorizes the PLLC to practice the stated profession.

**TIP:** Check whether your business name is available **before** filing the Articles 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 Articles of Organization with the NYS Department of State (DOS)

- Business name must include the words "Professional Limited Liability Company" or "Limited Liability Company" or the abbreviation "P.L.L.C.", "PLLC", "L.L.C.", or "LLC."
- Be sure to attach the Certificate of Authority when filing the Articles of Organization
- How to file:
  - By mail or in person to the address on the form at <https://www.dos.ny.gov/forms/corporations/1374-f.pdf>
  - By fax to the Division of Corporations at (518) 474-1418
- Filing fee for Articles of Organization: \$200
- Submit a Certified Copy of the Articles to the Education Department within 30 days of filing them with DOS

**NOTE:** To request a certified copy of the Articles from the DOS visit the following webpage: [https://www.dos.ny.gov/corps/faq\\_copies.page.asp](https://www.dos.ny.gov/corps/faq_copies.page.asp)

### 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 an 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>

### Adopt a Written Operating Agreement

- The owners of a P LLC (also referred to as members) are required to adopt a written Operating Agreement
  - A PLLC may only grant membership interests to persons who are licensed to practice or who within 30 days of being made members will begin practicing the profession which the PLLC is authorized to practice
- The Operating Agreement is the primary document that establishes how the PLLC will be managed and describes the relationships between the members. It is an internal document and is not filed with DOS.
- The Operating Agreement may be entered into before, at the time of, or within 90 days after the filing of the Articles of Organization.

### Comply with the Publication Requirement

- Newly formed PLLCs must publish a copy of the Articles of Organization or a notice regarding the PLLC's formation in two newspapers, assigned by the county clerk of the county in which the principal office of the PLLC is located, for six consecutive weeks. Newspapers will provide affidavits of publication.
  - Total fees charged by newspapers could range from \$750 - \$2000+.
- Mail the affidavits and a Certificate of Publication (<https://www.dos.ny.gov/forms/corporations/1709-f.pdf>) to the Department of State within 120 days of filing the PLLC's Articles of Organization
  - Filing fee for Certificate of Publication is \$50.

***This resource is provided for informational purposes only and does not cover all of the issues that could arise when setting up a PLLC.***

***For more information, contact an attorney.***