

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, 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/. 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 only provide professional services in one field (with some exceptions – speak to an attorney for more information)
- Submit a *signed* copy of the Articles of Organization to the New York State Education Department along with the appropriate filing fee, which is \$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

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://dos.ny.gov/copies-corporation-or-business-entity-documents>

Start the Process to Comply with the Publication Requirement

- New York law requires newly formed PLLCs to publish a copy of the Articles of Organization or a notice regarding the PLLC's formation in two newspapers for six consecutive weeks
- The information in the published notice, including the name of the PLLC, must match the Department of State's records exactly as it is on the Articles of Organization
- Newspapers must be assigned by the county clerk of the county in which the principle office of the PLLC is located.
- Each newspaper will provide an affidavit of publication
 - 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

Visit <http://www.op.nysed.gov/corp/pcorpdompllc.htm> for more Guidelines on Professional Limited Liability Companies

Adopt a Written Operating Agreement

- The owners of a PLLC (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 the DOS.
- The Operating Agreement may be entered into before, at the time of, or within 90 days after filing the Articles of Organization.

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 PLLC's Articles of Organization
 - Certificate of Publication Form can be found at: <https://dos.ny.gov/system/files/documents/2019/01/1709-f.pdf>
 - Filing fee for the Certificate of Publication is \$50
 - 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 PLLC. For more information, contact an attorney.