

# What is an LLC?

## Pennsylvania Limited Liability Company

A Limited Liability Company (LLC) is a hybrid between a partnership and a corporation. It may be thought of as a limited partnership without a general partner. It provides the liability protection of a corporation with the advantage of being treated as a partnership. A Certificate of Organization is required to be filed with the Bureau of Corporations and Charitable Organizations, accompanied by a docketing statement.

(source: <http://www.dos.pa.gov/BusinessCharities/Business/Resources/Pages/Pennsylvania-Limited-Liability-Company.aspx>)

## How to register an LLC:

**Note: Duquesne University Small Business Development Center strongly suggests that you hire an attorney to assist you with setting-up an LLC.**

### 1. Choose a Name for Your LLC

Under Pennsylvania law, your LLC name must contain the words "Company," "Limited," or "Limited Liability Company," or an abbreviation of one of these three choices. The statute does not provide examples of acceptable abbreviations for these words; however, it is likely that "Ltd." and "Co." can be used, but not "Liab."

Your LLC's name must be distinguishable from the names of other business entities already on file with the Pennsylvania Department of State. Names may be checked for availability by at the [Pennsylvania Department of State business name database](#).

You may reserve a name for 120 days by filing a Name Reservation (Form DSCB:15-208) with the Pennsylvania Department of State. The filing fee is \$70. [The form](#) may be filed online or by postal mail.

### 2. File a Certificate of Organization

A Pennsylvania LLC is created by filing a Certificate of Organization Domestic Limited Liability Company (Form DSCB:15-8913) with the Department of State. The certificate must include: the LLC's name and address; the name and address of the LLC's registered agent; the name and address of each organizer of the LLC; whether the LLC will be run by a manager; and whether the LLC will provide professional services (applicable to certain restricted professional companies). The certificate must be accompanied by a completed New Entity Docketing Statement (Form DSCB:15-134A). This form must include the LLC's name, the name and address of person responsible for initial tax reports; its purpose; its effective date, if any; its EIN, if any; and its fiscal year end. The certificate and docketing statement may be filed online or by mail. The filing fee is \$125.

### **3. Appoint a Registered Agent**

Every Pennsylvania LLC must have an agent for service of process in the state. In Pennsylvania, this is called a registered office (most other states require a registered agent). This is an individual or business entity that agrees to accept legal papers on the LLC's behalf if it is sued. The registered office may be a Pennsylvania resident or a business entity authorized to do business in Pennsylvania. The registered office must have a physical street address in Pennsylvania. You can find information on Pennsylvania commercial registered office providers [here](#).

**All of the paperwork and procedural steps to start a limited liability company in Pennsylvania can be done online using Nolo's Pennsylvania Online LLC Formation application.**

### **4. Prepare an Operating Agreement**

An LLC operating agreement is not required in Pennsylvania, but is highly advisable. For help creating an LLC operating agreement, see *Form Your Own Limited Liability Company*, by Anthony Mancuso (Nolo) or use Nolo's Online LLC. If an operating agreement is created, it need not be filed with the certificate of Organization.

### **5. Publication Requirements**

None.

### **6. Comply With Other Tax and Regulatory Requirements**

Additional tax and regulatory requirements may apply to your LLC. These may include:

**EIN:** If your LLC has more than one member, it must obtain its own IRS Employer Identification Number (EIN), even if it has no employees. If you form a one-member LLC, you must obtain an EIN for it only if it will have employees or you elect to have it taxed as a corporation instead of a sole proprietorship (disregarded entity). You may obtain an EIN by completing an online EIN application on the IRS website. There is no filing fee.

**Business Licenses:** Depending on its type of business and where it is located, your LLC may need to obtain other local and state business licenses.

**Department of Revenue:** In some cases, for example if you have employees or will be selling goods and collecting sales tax, you'll need to register with the Pennsylvania Department of Revenue (DOR). (Pennsylvania also has other LLC-related taxes and DOR filings not covered here.) In many of these cases, the process starts by registering online through the Revenue e-Services Center or mailing in Form PA-100. For more information on state LLC tax registration, see Nolo's article [LLC Annual Report and Tax Filing Requirements: A 50-State Guide](#).

## **7. File Annual Registration (Restricted Professional LLCs Only)**

Only foreign LLCs and Pennsylvania LLCs engaged in certain specified restricted professional services must file a Certificate of Annual Registration (Form DSCB:15-8221/8998) with the Department of State. (See Nolo's article, How to Form a Professional LLC in Pennsylvania for more information.) These must be filed with the Corporation Bureau by April 15th of every year. The registration is filed online or by postal mail. An annual fee of \$520 times the number of members of the LLC must be paid.

## **8. Foreign LLCs Doing Business in Pennsylvania**

To do business in Pennsylvania, all LLCs organized outside of the state must register with the Pennsylvania Department of State. Foreign LLCs must appoint a registered agent for service of process. To register, file a Foreign Registration Statement (Form DSCB:15-41). The statement may be filed online or by postal mail. The application must be accompanied by a completed New Entity Docketing Statement (Form DSCB:15-134A). The filing fee is \$250.

Be sure to check the Pennsylvania business name database to see if the foreign LLC's name is available in Pennsylvania. If not, it must register and transact business under another name. To do so, file a Registration of Fictitious Name (Form DSCB:54-311) showing the assumed fictitious name, plus \$70 fee (the fictitious name must also be available for use in Pennsylvania).

**(Source: <http://www.nolo.com/legal-encyclopedia/pennsylvania-form-llc-32189.html>)**