VIRGO LAW

Virgo Law LLC FORMATION GUIDE FOR LIMITED LIABILITY COMPANIES

2021 Edition

Purpose of this LLC Formation Guide

This guide is primarily designed to help solo entrepreneurs in Washington state form a limited liability company (LLC) for their small business. This guide attempts to answer many of the questions that business owners have about forming a new company. However, every situation is unique and you may find that you have questions about you business entity that are not discussed in this guide. For example, if you are not forming an LLC in Washington or if you are forming an LLC that has two or more owners, you may have questions or you may need services that are not covered in this guide. It is always a good idea to consult with a business attorney, like Virgo Law, to make sure that you understand the laws and regulations that are specific to your business.

This guide was written and published in 2021. The laws and websites discussed in this guide may change over time.

Thank you for using this LLC Formation Guide and good luck with your new business!

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STEP THREE

License your LLC with the Washington Department of Revenue (DOR)

STEP FOUR

Apply for a city license in the city where your LLC will be doing business

Overview of Limited Liability Companies

What is a Limited Liability Company?

A Limited Liability Company, abbreviated as LLC, is one of the most flexible business entity types. Virgo Law often recommends that its clients form their new or small businesses as an LLC. The primary benefit of organizing your business as an LLC is that the LLC will protect you from your business's debts and liabilities. In addition, LLCs have the benefit of being taxed like sole proprietorships and partnerships, unless LLC members choose to be taxed like a corporation.

What businesses can be an LLC?

There are no limits on what kind of businesses can be an LLC. In fact, the Washington Limited Liability Company Act (RCW 25.15) sets forth that an LLC can be formed for any lawful purpose.

Do I need an LLC Agreement?

The short answer is no. If there is no LLC Agreement (sometimes called an "Operating Agreement"), the LLC is governed by the Washington Limited Liability Act's default rules. Solo entrepreneurs will likely not have any problems with the Act's default rules. If you are starting your LLC with one or more partners, you should have an LLC Agreement in place. LLC Agreements govern relationships, rights, and duties of the LLC's owners, including how the owners will be compensated. If you are starting an LLC, or any business, with one or more partners, you should work with Virgo Law or another business attorney to ensure that each partner's interest in the business is adequately memorialized.

Similarly, if you are a solo entrepreneur who is adding a partner or partners to your business, you should consult with Virgo Law or another business attorney to ensure each partner's interest in the business is adequately memorialized.



History Minute!

Washington did not accept LLCs as a business entity until 1994. The first LLC statute was enacted by Wyoming in 1977. LLCs were born out of the need for a hybrid business entity that offered flexibility for new business ideas, but also protected entrepreneurs from business liabilities. Today, LLCs are often considered the ideal business entity for new and small businesses.

Limited Liability

An LLC offers limited liability for its owners. In other words, an LLC acts like a shield that generally protects owners from the debts, obligations, and liabilities of the LLC. Comparatively, sole proprietorships and partnerships do not protect owners from the debts, obligations, and liabilities of their business.

For example, imagine your business is a coffee shop and one day a customer burns themselves with your coffee. The customer sues you and succeeds in court. You as the owner will be personally responsible for the damages from the lawsuit if your business is a sole proprietorship, which could be financially catastrophic. However, if your business is an LLC, then the LLC is responsible for the damages from the lawsuit. While the damages may still significantly harm your business, you as the owner should emerge relatively unscathed.

Although an LLC offers general liability protection for its owners, owners of an LLC can still be held personally liable for negligent actions. However, if you are operating your business in good faith, then it is unlikely that you will be held personally liable for negligent actions as the owner of an LLC.

Taxation

LLCs, by default, are not federally taxed as a business entity. Federal taxes on gains or losses flow directly to the owners of the LLC.

The benefit of this tax structure to the owner of an LLC is that the owner is only taxed once rather than having to pay the LLC's taxes and then having to pay individual taxes on the income earned from the LLC.

Comparatively, corporations are taxed at the entity level and the owners of the corporation have to pay taxes on the corporations income and the income they earned from their corporation's income.

However, because LLCs are very flexible, the owners of an LLC can choose to be taxed at the entity level if they choose.

Washington LLCs still have to pay Washington business and occupation (B&O) taxes.



Accountants

For tax specific questions about your LLC, you should consult with an accountant.



STEP ONE

Register Your LLC with the Washington Secretary of State (SOS)

Filing Fee: \$200

1.1. Go to the Washington Secretary of State Corporations and Filing System <u>website</u>: https://ccfs.sos.wa.gov#/.

Before You Get Started

Before you start the process of forming your LLC, you should create a folder in your email where you can save communications from different government entities about this process. You will receive many emails while registering your LLC and you will be happy that you have a place to access them quickly.

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1.2. Create a user account by clicking the "Create a User Account" button. If you already have a user account, you can create multiple business entities under the same account.

1.3. Click "Continue" under the "Free User Account" option.

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1.4. Select "individual" under the User Type popup box and select continue.

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1.5. Create your log in details. Make sure that you use a user ID and password that you can remember because you will need to access this account to manage your business from time to time.

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1.6. Enter your contact information on the next screen.

Make sure use an email address that you regularly check and an accessible phone number because the Washington Secretary of State will need to contact you from time to time.

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1.7. Enter your address information. This step is optional; however, you will have to provide an address to the Washington Secretary of State when you register your LLC.

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1.8. Click "Register." You will receive an email with an activation link for your account from the Washington Secretary of State. Click on the link to activate your account and sign in to begin registering your LLC.

1.9. When you sign into your Washington Secretary of State account, you should arrive at your dashboard.

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1.10. Click on "Create or Register a Business" on the left side of the screen.

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1.11. On the next screen, select "I would like to form a Washington State Business." In the business type drop down box, select: WA LIMITED LIABILITY COMPANY. Finally, DO NOT check the "Defer Initial Report" box. The Washington Secretary of State will automatically generate and initial report for you when your business entity registration has been accepted.

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1.12. On the next screen, select "No" where the form asks if you if you already have a UBI number.

You should not already have a UBI number If you are following this guide and you are registering a new business. If you do have a UBI number, enter it here.

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Do you already have a UBI Number? CI ses . No	
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1.13. Enter your business name in the next section and click the "Look Up" box. If your proposed business name is not available, the Washington Secretary of State will notify you and suggest different names.

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Submit a name for review.	
VIRGO LAW LLC Look Lp	

1.14. In the next section, select the appropriate box for whether you would like to be the registered agent for your business or if you would like to designate another person or entity to be your registered agent.

In most cases, you will want to be your own registered agent. You can change your registered agent information anytime through the Washington Secretary of State website.

RCW 23-95-415 rects

REGISTERED AGENT CONSENT

To change your Registered Agent, please delete the current Registered Agent below. Please select the appropriate statement regarding your business's Registered Agent.

- - Registered Agent. Source of this information is prepopulated from information previou provided. Process make changes as necessary to provide accurate information. d it



Your LLC's Name

Your LLC's name must include the words "Limited Liability Company", "Limited Liability Co.", or the abbreviations "LLC" or "L.L.C."





What is a registered Agent?

A registered agent is a person or entity who receives legal documents and notices on behalf of a business. All Washington LLCs must have a registered agent.

You can be the registered agent for your business. If you do not feel comfortable being your business's registered agent, Virgo Law can be your registered agent.

Publicly Viewable Information

Your registered agent information is public record and publicly viewable. As a result, you may receive solicitations from third parties pretending to be government entities trying to trick you into paying for services that you do not need.

If you have any questions about mail receive after registering your business, be sure to consult with Virgo Law or another business attorney.



1.15. Then enter your information if you are the registered agent for your business or enter the contact information for your registered agent.

If you are part of the Address Confidentiality Program and you have a participant number, you check the applicable box to keep your contact information confidential.

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1.16. Select "No" where the form asks you if you have a certificate of formation to upload, unless you do have a certificate of formation. You do not need a certificate of formation to register your business and the Washington Secretary of State will automatically generate one for you.

1.17. You can leave the box asking if you would like to include any other provisions in your formation empty and move on to the next section.

HER PROVISIONS			
you have any other provisions you would like to	include in your formation, please use the	e text box below.	
(500 character limit)		/	

1.18. In the next section, enter your principal office location. You can use your home address as your principal office location if you do not have an office location. This information can be changed at anytime through the Washington Secretary of State website.

If you are part of the Address Confidentiality Program and you have a participant number, you can check the applicable box to keep your contact information confidential.



1.19. In the duration section, select the appropriate box for how long you would like your business to last.

In most situations you will want to select "perpetual", which means your business will last until you dissolve it or you do not renew your business license.

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Please se duration	lect the appropriate statement regarding your business's	
	This Company shall have a perpetual duration	
	O This Company shall have a duration of	years
	O This Company shall expire on an announcement	

1.20. In the Effective Date section, select the appropriate box for when you would like your LLC to be formed. In most cases, you will want the effective date to be the date of filing.

When would you like this Formation to become effective	Ø)		
Date of Filing O Specify a Date MMADDAVAY			
Effective Date cannot be more than 90 days from today.			
Note: Effective Date cannot be prior to the date this reco	rd is filed by the Washington Secreta	ry of State	

More Publicly Viewable Information

Your principal office information is public record and publicly viewable. Only enter information here that you are comfortable with others seeing.

You may receive solicitations from third parties pretending to be the government trying to trick you into paying for services that you do not need.

If you have any questions about mail you receive after registering your business, be sure to consult with Virgo Law or another business attorney.

1.21. In the Executor section, enter your information.

The executor is the person forming the business entity and signing the certificate of formation. If you are filling out this form, you are the executor.

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Does your LLC have multiple owners?

If so, you should consider speaking with Virgo Law or another business attorney.

Virgo Law highly recommends that LLCs have safeguards in place, like an operating agreement, to ensure governors' rights and interests in the LLC are memorialized.



1.22. In the Governors section, enter the information of the person, people, or entity that will own and operate the LLC.



1.23. In the Nature of Business section, use the dropdown box to select the option that reflects what type of business your LLC will engage in.

If you do not see an option that reflects the nature of your business, select "Other" and enter a brief description of the business your LLC will engage in in the "Other" box.

hat is your business' r	vature of business	2			
Nature of Business.*	-Select-		~		
	If the nature of yo the box below.	our business is other that	the ones listed above	then please theck other	and write your own comments in
	Dother				
		(100 dualater line)			

1.24. In the Return Address for this Filing section, enter the address where you would like the Washington Secretary of State to send your Certificate of Formation for your LLC.

If this seems redundant to you, it seems redundant to Virgo Law as well.

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1.25. You do not need to upload additional documents in the Upload Additional Documents section.

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1.26. Check the "Email Opt-In" box if you prefer to only receive communications from the Washington Secretary of State via email.



1.27. The section titled "Authorized Person" is your signature. Enter your name to sign that you are the individual who filled out this form and are forming and LLC.

1.28. The next page will give you the opportunity to review all the information you are submitting to the Washington Secretary of State to form your LLC.

1.29. Once you are sure that the information you are submitting is correct, you can continue to the "Shopping Cart" page to pay the \$200 filing fee to register your LLC.

1.30. Great Start!

You have registered your LLC with the Washington Secretary of State. You should receive confirmation from the Washington Secretary of State that you successfully registered your LLC within 2 to 7 days.

If you do not receive confirmation, make sure to check the spam folder in your email and log into your Washington Secretary of State account to see if you have any notifications.



STEP TWO

Apply for a Federal Employer Identification Number (FEIN) with IRS

Filing Fee: \$0

2.1. Visit the IRS online EIN application website. Make sure you are at the correct website for the IRS. There are many websites designed to look like the IRS website that will try to trick you into paying additional filing fees. Here is the link to the website: https://www.irs.gov/businesses/smallbusinesses-self-employed/apply-for-anemployer-identification-number-ein-online.

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File Pay Refunds Cre	Its & Deductions Forms & Instructions	Search Q
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Individuals Businesses and Self-Employed	Hours of Operation Hours of Operation Hours of Operation Hours of Operation	Related Topics • State and Pederal Collin Business Ensistences
Small Business and Self-Employed		Constitute

2.2. Scroll down to the button that says "Apply Online Now" and select it.



Does my LLC need an FEIN?

Yes.

All business types except for a sole proprietorship that does not hire employees need an FEIN.

What is an FEIN?

FEIN stands for federal employer identification number.

It is the number that the IRS uses to identify your business.

2.3. The next page will take you to the IRS's EIN Assistant page. Read all of the information provided by the IRS and select "Begin Application."

IRS.gov	Const Toking Land and The
EIN Assistant	
Important Information Before You Begin Use this assistant to apply for and obtain an Engloyer Identification Number (EIN).	
Do I need an EIN? Do I need a new EIN? About the FIN Assistant	For help or additional information on any topic, click the underlined key words, or view Help Topics on the right side of the screen Make sure that coo-ups are allowed from the side.
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Begin Application >>	
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Who are the members?

The owners of the LLC are called members. For your LLC's purposes, the number of members should match the number of governors your entered in step 1.22 of the Washington SOS application.



2.4. Select "Limited Liability Company (LLC)" on the next page. Then read the information the IRS provides about LLCs.

EIN Assistant					
Your Progress:	1. identify	2.Authenticale	3. Addresses	4. Detai	s 5. EIN Confirmation
What type of legal s	tructure is app	lying for an EIN?			Help Topics
Before applying foran E type of organization is b Choose the type you are <u>Scie Propriet</u> Includes and/vi Retherships Includes and/vi Corporations Includes and Corporations Includes and Example Science and Includes and Includes Include	III you should have englestablished applying for if yo gr duals who are in b erships and joint v porations, persons streen conducts (F Irv Concestry (L) Ch	e siready determined what u fort' see your type, sele uuiness for themselves an entures, si service corporation, rea corp, and settlement brock corp, and settlement brock Si as diructure allower by to	I type of legal structure, bus cf "View Additional Types." d household employers. Il astate investment tructs (F	REIT),	What if do not know what the af-near structure at organization to choose?
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O View Addition If none of the i	wi Types, Includi above fi what you	ng Tax Exempt and Gov are establishing, there are	contrue >>	om.	
<< Back			Contrius >>		

2.5. On the next screen, enter how many members your LLC has and select WASHINGTON for the state where the business is physically located.

EIN Assistant					
Your Progress:	1. Identify	2. Authenticate	3. Addresses	4. Details	5. EIN Confirmation
Tell us more about	the members o	f the Limited Liability	Company (LLC).		
* Required fields					
How many members) a	ire in the LLC? * 1				
How many <u>member(s)</u> a Please select the state/	ire in the LLC? * [1 letitory where the b	usiness is physically local	ed: •		

2.6. On the next screen, read the tax information that the IRS provides. If you have specific questions about how your LLC is taxed, you should consult with an accountant.

2.7. On the next screen, select "Started a new business" where the IRS asks why your LLC is requesting an EIN, unless you have another reason for requesting an EIN.

Your Progress:	1. Identify	2. Authonticate	3 Addresses	4. Detsils	5. EIN Confirmation
Why is the LLC req	esting an EN			H	Ip Topics
Choose one reason that	best describes wh	y you are applying for an t	DN.	0	Lito, mai, see my, reason, for-
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Purchased as Select this opti-	tive business on if you are purch	asing a business that is a	ready in operation.		
			Continue >>		

2.8. On the "Authenticate" screen, enter your information as the owner who is applying for an FEIN for your LLC.

EIN Assistant					
Your Progress:	1. Identify 🗸	2. Authenticate	3. Addresses	4 Details	5. EIN Confirmation
Please tell us abou	t the Responsible	Party of the LLC.			
* Required fields Must match IRS record The only punctuation a	is or this application c ind special characters	annot be processed. allowed are hyphen (-) a	and ampersand (&).		
	First name * [
	Middle name/initial [)		
	Last name * [
	Suffix (Jr. St. etc.)	Select One 🗸			
	SSNATIN *	·			
Choose One: *					
) am one of the ge	mers, members, or th	e managing member of	this LLC		
I am a third party i	applying for an EIN or	behalf of this LLC.			
Before continuing, p	lease review the inf	ormation above for typ	pographical errors.		
ANTONIA AND		ALCO AND DURING STATE			

2.9. On the next screen, enter the address where your LLC is physically located. This should match the physical address that you gave the Washington SOS.

EIN Assistant					
Your Progress:	1. Identify 🖌	2. Authenticate 🗸	3. Addresses	4 Details	5. EIN Confirmation
Where is the LLC	physically locate	d?			
* Required fields					
The only special chan Note: Must be a U.S. a	cters allowed for str ddress. Do not enter Street *	ret and city are - and /. a PO. box. <u>For military add</u>	reales click here.		
	City *				
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from the above v your nai	please review the in	formation above for typo	graphical errors.		

2.10. On the next screen, enter the applicable information about your LLC. This information should match the information you gave the Washington SOS.

Your Progress: 1.	. Identify 🗸	2. Authenticate 🖌	3. Addresses 🖌	4. Details	5. EIN Confirmation
ell us about the LLC.					
Legal name may not con Legal name of LLC (m 201 <u>Trade name</u> (enty if differe	vst match articles s canization, if filed) e/Doing business a ent from legal name	4 (, PA, Corp. or Inc.		
County whe	ere LLC is located	* KNG			
State/Territory whe	ere LLC is iccated	WASHINGTON (WA)	¥	
State/Territory where an	icies of organizatio	WASHINGTON (WA)	~	
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2.11. Answer the Yes/No questions on the next screen. If you do not understand the questions, the IRS provides helpful links that explain what the questions mean.

If you have additional questions about the tax implications of the questions, you should consult an accountant.

EIN Assistant				
Your Progress: 1. Identify 🖌 2. Authenticate 🖌 1.	Addresses 🗸	4. Details 5. EIN Confirme		
Tell us more about the LLC.		Help Topics		
* Required fields		What is Form 7292		
Does your business own a highway motor vehicle with a layable oracs weight of 55,000 pounds or more? *	O Yes 🔹 No			
Does your business involve <u>pambino/wagerio</u> p? *	🔾 Yes 🔹 No			
Does your business need to file Farm 720 (Quarterly Federal Excese Tax Return)? *	🔿 Yes 🔹 No			
Does your business sell or manufacture alcohol, tobacco, or firearms? ~	O Yes 💌 No			
Do you have, or do you expect to have, any <u>emicloyees</u> <u>who will receive Forms W-2</u> in the next 12 months? * (Forms W-2 require additional filings with the IRS.)	O Yes 💌 No			
Before continuing, please review the information ab	ove.			
	Continue >>	÷		



What is a DBA?

A DBA, or doing business as name, is a business name that a business operates under that is different from its registered business name.

Many businesses do not use a DBA.

2.12. On the next screen, select the option that best describes your LLC's business. If none of the options apply, select "Other."

IRS.	gov				te i Austra for New EH i Esi
IN Assistant					
Your Progress:	1. Identify 🗸	2. Authenticate 🗸	1 Addresses 🗸	& Octails	5. BN Confirmation
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C Enacos Barks, sale investment :	s financing, credit card advice, or trust admini	asung mortgage comp pration.	any broker, securities brok	*	
O Eccil Servic Retail fest fo	a ood. reataurant, bar, co	Nee shop, catering, or m	obie food service.		
O Health Care Doctor, men	tal health specialist, h	ospital, or outpatient care	center.		
O Insurance of	ompany or tirokar.				
O <u>Manufacture</u> Mechanical producta in	DQ physical, or phemical ducing the assembly o	transformation of materia f components.	s substances component	s into new	
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O Wholesale a distributor, o	igentöröker, importer, r jöbber.	elpotel manufacturers'	representative, merchant		
· Other					

2.13. If you chose "Other", select the next option that best describes your LLC's business.



2.14. On the next screen, select how you would like to receive your FEIN confirmation.

EIN Assistant						
Your Progress:	1. Kentity 🗸	2. Authenticate 🗸	3. Addresses 🗸	4, Details 🗸	5. EIN Confirmation	
How would you li	ke to receive your	EIN Confirmation L	etter?			
You have two options	for receiving your car	firmation letter Please ch	toose one below.			
O Receive letter or Yos will be able t	Nive. This option requi	ares <u>Adulte Fleader.</u> e this letter immédiately. Il	Reader Sealer Se			
C Receive letter by allow up to 4 week	rail.The IRS will se to for delivery	nd the letter to the mailing	paddress you provided -			
			Continue >>			



Save the trees!

Virgo Law encourages you to save the trees by receiving your EIN confirmation letter online.

2.15. Halfway There!

You have successfully applied for an FEIN from the IRS. You should not have to pay any fees and you should receive your LLC's FEIN almost instantly if you opted to receive your letter online.

Make sure you save it somewhere where you will not lose it.

Pay Attention!

If you are asked to pay application fees at any time during the IRS FEIN application, you are probably not on the IRS's website.

A helpful way to check is to look for the ".gov" at the end of the website's URL.

3.1. Go to the Washington DOR business licensing services <u>website</u>: https://secure.dor.wa.gov/home/Login.

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3.2. Create a new Secure Access Washington (SAW) account if you do not already have one.

You may already have a SAW account from registering or filing with other Washington government entities unrelated to your LLC.

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STEP THREE

License your LLC with the Washington Department of Revenue (DOR)

Filing Fee: At least \$90

Getting Started: The Washington DOR has a lot of helpful information about business licensing in the FAQ section of the Washington DOR website.

Be sure to learn as much as possible about filing for and maintaining a business license.

Here is the link:

https://dor.wa.gov/openbusiness/business-licensing-andrenewals-faqs#forms.

"The way to get started is to quit talking and start doing."

Walt Disney

3.3. Log into your account and go to your homepage.

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3.4. On the homepage, click "Apply for a new business license."

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usiness Licensing and Tax	Get Started	
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3.5. On the next screen, select "Start a business in WA State" and enter your UBI number.







What is a UBI number?

UBI stands for Unified Business Identifier. You received yours when you registered your LLC with the Washington SOS. You can find it in the documents the Washington SOS sent you after your business registration was accepted.



3.6. On the next page, fill in the applicable

information about the purpose of your business.

Business Licensir	ng and Tax	2	θ
88.5			
ine Business License	Application		
About Your Business	UBI: Name	Section 1 of 5	
Purpose		· Constanting Street and an	-
	Start a New Business		
	You are filing a new business license application.		
	Your selected ownership structure	Limited Liability Company (LLC)	_
	UBI as issued by the Washington Secretary of State	/	
	Country of formation	USA	
	State of formation	WASHINGTON	
	Year of incorporation/formation in Washington	Required	
	Enter your Federal Employer Identification Number (FEIN)		
	To get a Federal Employer ID Number, visit the IRS website.		
	Will you be hiring employees within 90 days?	Yes No	
	Will you be selling lottery tickets? *	Yes No	
	You may need a workers' comp account for your members and/or mangers. Please review requirement requirements/do-i-need-a-workers-comp-account/lic-members.	ts at https://ini.wa.gov/insurance/insurance-	
	Verification		
	I certify I have the authority to file on behalf of the business listed below.		
	Name		
	UB:		
	Language Assistance		
	Some agencies can provide language assistance. Would you like assistance if available?	Yes No	
	Click Save on any screen if you would like to finish this application later.		
			_
Cancel Save D		C Previous	
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What is my UBI number?

UBI stands for Unified Business Identifier. You received yours when you registered your LLC with the Washington SOS.

You can find it in the documents the Washington SOS sent you after your business registration was accepted.

What is my FEIN?

FEIN stands for federal employer identification number. It is the number that the IRS uses to identify your business.

You received yours when you completed your application with the IRS.

3.7. On the next page, enter the names of all of the owners, partners, and officers. This information should automatically transfer from your LLC registration with the Washington SOS.

Arte Postineis License	Application	
Apoul Year Business Furgiour	USK Name *	Section 1 of S
Owners & Officers	Add al owners, parties, and officers become	
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3.8. On the next page, enter your doing business as name (DBA) if you are doing business under a different name than the LLC name you filed with the Washington Secretary of State.

line Business License	Application	
About Your Business Across	UB. Name	Sections 1 of 1
Owners & Officers	Business Names	
Same	Daring Businesses M Parrie (DBI)	

3.9. On the next page, enter the trade name (a.k.a. DBA) to register your DBA with the Washington DOR.

6			
dine Butinets Licente A	Application -		
About Your Bushess Purptor	UB: Note:		(sections 1 of)
Owners & Officers	You must register any track where, also known as DBA cooing outness als names		
Reporter Turks Name	Register Trade Names		
		Remove	
	+ Add Table Name		
	-		



Owners, Partners, and Officers, oh my!

These are just different names for the governors of your LLC.

This information should match the "governors" information you entered in step 1.22 of the Washington SOS Application.



What is a DBA?

A DBA, or doing business as name, is a business name that a business operates under that is different from its registered business name.

Many businesses do not use a DBA.



Register Trade Names

An LLC in Washington must register a trade name, or DBA, if it is operating under a name different from the name registered with the Washington Secretary of State.

"Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work.

And the only way to do great work is to love what you do."

STEVE JOBS





Does my LLC have to pay for workers' compensation insurance?

If you have employees, then your LLC must provide workers' compensation insurance. There is a very narrow category of employees who do not have to be given workers' comp insurance.

LLC owners are not required to provide workers' compensation insurance for themselves. If you have questions about workers' compensation insurance, you should consider speaking with Virgo Law or another business law firm.

3.11. On the next page, enter information about your physical business address. You may use your home address if you do not have a physical business address.

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Application		
- 18	Name:	Sectors (of)
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unitas De ¹ Anpored Gamp	uit the WA - WASHINGTON	20 Can * - Sequent
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3.10. On the next page, determine if you want to apply for optional workers compensation coverage.

Publicly Viewable Information

Your physical business address may be public record and publicly viewable. Only enter information here that you are comfortable with others seeing. You may receive solicitations from third parties pretending to be government entities trying to trick you into paying for services that you do not need.

If you have any questions about mail receive after registering your business, be sure to consult with Virgo Law or another business attorney.

22

3.12. On the next page, enter your business mailing address. If your mailing is the same as your physical business address, you can check the box at the top of the page.

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ne Business License A	oplication							
Just Your Business 👘 😁	ve.	Name				Sector 2 of 1	_	
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3.13. On the next screen, enter the date your LLC began conducting business in Washington, your LLC's estimated gross annual income, and your primary business contact information. In many cases, your business's primary contact will be you.

		My DOR Servi
Business Licensing	and Tax	0 6
5° 5.		
line Business License Ap	plication	
About Your Business 🛛 👻	UBI: Name:	Section 2 of 5
Physical Location Mailing Address Business Info	Business Information	 Out-of-state businesses should use the first date of operation in WA.
	Estimate gross annual income in Washington * Required	
	Business Contact Business phone number *	Est.
	Email address *	
Date of Firs	t Business	
Many entrepre	eneurs think it is difficult to	Estimated Gross Income
cannot determi	ine the date of first business,	This is just an estimate and there are no
use the date the	at you are filling out this	consequences if your estimate ends up
application. Th	e date of first business	being incorrect. Put a number here that you
primarily affect	ts when you need to submit	reasonably believe you will be able to

your first quarterly tax return.

make in a year.

3.14. On the next screen, answer the additional questions about your business.



3.15. On the next screen, answer the question about whether your LLC will be doing business in a city other than the city where your LLC is located.

If the answer is yes, you will have the option to add city endorsements to your Washington DOR application

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About Your Destructs	v UR · New	feature 2 of 1
Physical Location		
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Business Info		
Address Tax Info		
Cry Selection		

3.16. If you select "Yes" in step 3.15, the Washington DOR will ask you some additional questions about the other city/cities where your LLC will be conducting business. Answer the questions to the best of your knowledge.



City Endorsements?!

LLCs also need licenses to conduct business in the cities where they are located. Don't worry. This guide will also walk you through the process of getting a city license for your LLC.



3.17. After you answer the questions regarding your city endorsements, the Washington DOR will ask you more question about your LLC. Answer them honestly and move on to the next screen.

ne Business License Ap	olication			
bout four Business	UB: Name-	Section 21	n	_
Physical Location	Are you a general or specially contractor lowerples include construction, plumbing, electrical and roofing/1	141	No.	
Mailing Address		1.1	114	-
Business total	Co you have a Walmington State professional or scouperonal license?	793	. N9	-
Address But His	Do you provide solity service beleghtme/valularitSP, cable, gas, electric garbage(?	Yes	. No.:	
City Selector				-
City Limits Questions	Is this business a 50/ (II) inongrafit?	744	Pair Pair	_
Business Mile Cont 8				

"Build your business success around something that you love; something that is inherently and endlessly interesting to you."

MARTHA STEWART

3.18. The next steps of the Washington DOR application will walk you through applying for a city license IF the city where your LLC is located lets you apply for a license through the Washington DOR.

A complete list of cities that allow you to apply for a business license through the Washington DOR is below:



3.19. After adding your city-specific information, use the search option to select 1 to 5 primary business activities.

lood the Business Jointon	*	UBE	Name	Section 2 of 3
Physical Securities, Mailing Address Business (Mp		Activity that is the p state endors	Search primary business activity or activities for this business in the State of View emerts that may be reduced.	tregton? The busines activity selected will help us determine the
City Selectors		Enter ke	yword(s) and select activities that apply	Selected Activities (maximum of 5)
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3.20. On the next screen, select the appropriate boxes to provide more information about your LLC's business activity.

ine Business License A	pplication	
Aloud Itor Builens *	Ull: Name	Section 2 of 5
Hing Astress Maling Astress Busines the Astronot Inc. Infl Astronot Inc. Infl City Leads City Leads	Business Activity Business Act	10
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3.21. On the next screen, answer yes or no for whether you plan to hire independent contractors.

🔁 Business Licensing and Tax		08
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viline Business License A	pplication	
About Your Business	VB: Name	Section 3 of 3
Employees	Contractor Information	
Contraction information-	Do you plan to hise independent contracturs Lpdfs or people you will report on a 1099 form?	146 NO
2000 10 2002		

3.22. The next screen informs you that you may need additional Washington State endorsements depending on the nature of your LLC's business. Virgo Law recommends that you click "Yes" to view a complete list of Washington State endorsements.

If the endorsements do not apply to your LLC, you can click "No" and continue. If the endorsements to apply to your LLC, select the appropriate endorsement and complete any necessary additional steps.

ine Business Licen	oe Ap	lication	
Alamat Your Bassiness	÷	UB: ··· Name ·	Section 6 of 1
Location	5		
Unphopens		Based on the activities you provided, this business may not need additional state en	rdscrements administered by the Department of Revenue.
Indonement Selection	pe .	Do you want to view the complete list of endocements?	391 500

3.23. Here is a complete list of additional Washington State endorsements that your LLC may need depending on the nature of your business.



3.24. The next screen will show you a receipt for the licenses you are purchasing through the Washington DOR. At a minimum, you will need to pay \$90 for a new business licensing fee. However, there may be additional fees included depending on whether you are purchasing additional city or state endorsements.

3.25. The next steps will guide you through the checkout process.

3.26. Almost Finished!

You have successfully registered your LLC with the Washington DOR.

You should receive a response from the Washington DOR in 10 days to 3 weeks. Your response from the DOR will include your 16-digit UBI number, which you will need for the final step.

If you were able to file for your city license with the Washington DOR, you are finished registering your LLC.

If you could not file for a city license with the Washington DOR, you have one more step to go.





Planning on Hiring Employees?

If you indicated on your LLC's license application with the Washington DOR that you plan on hiring employees, you will receive information from the Washington Department of Labor & Industries and the Washington Employment Security Department about quarterly employee report forms.

Keep an eye out for those notices! If you need help navigating the process for hiring employees, you should speak with Virgo Law or another business law firm.

STEP FOUR

Apply for a city license in the city where your LLC will be doing business

Getting Started:

Each city has a different method for applying for a city license for your LLC.

Your best option is to google your city's business licensing requirements. The guide provides link to some of Washington's largest cities to help you get started.

Helpful links to business licensing websites for Washington cities:

- <u>General Guide</u> Cities:https://access.wa.gov/topics/busines s/City/Business/License.html
- <u>Seattle</u>: https://www.seattle.gov/licenseand-tax-administration/business-license-taxcertificates
- <u>Bellevue</u>: https://bellevuewa.gov/citygovernment/departments/finance/doingbusiness-with-bellevue/business-licenses
- <u>Tacoma</u>: https://www.cityoftacoma.org/cms/One.as px?portalld=169&pageId=123426
- <u>Spokane</u>: https://my.spokanecity.org/business/doingbusiness/licenses/

Did I already apply for a city license?

If the city where your LLC is located and will be doing business is listed under step 3.18 of the Washington DOR application, then you already applied for a city license.



Congratulations on registering your Limited Liability Company!

If you followed this guide, you should be all finished. Good luck with your business pursuits. If you ever need any legal help with your business, please do not hesitate to contact <u>Virgo Law</u>.

www.virgolawseattle.com

VIRGOLAW

