

5-steps to creating an S-corp

Ready to elect your LLC or C-corp as an S-corp? Follow these five steps first.



1. Pick your business type

Form an LLC

Form a C-Corp

2. File your paperwork

Select an available business name

Determine which state you'll file in

File your business name with your Secretary of State

File a "Doing Business As" (DBA) name

Seek help from a registered agent (if needed)

3. Get an EIN

Apply for an Employer Identification Number (EIN)

Submit Form SS-4 with the IRS

4. Elect S-corp status

Be an eligible, domestic corporation

Have only one class of stock

Have no more than 100 (resident) shareholders

5. Keep up with S-corp requirements

Understand salaries vs. distributions for shareholders

Ensure owners receive reasonable compensation

Report non-wage compensations on the S-corp W2

Check that stock ownership is ensuring proper decision-making