S Corp Election Checklist for Therapists

Heard

This checklist is intended as a rough guide to forming an S corporation for your therapy practice.

As always, consult with a tax professional before taking any steps that could affect your finances or tax status.

- [ ] Form a corporation or a limited liability company (LLC). Once you form a business entity, you can elect S corporation filing status.

Incorporation checklist

- [ ] **Choose a business name**
  Most states offer an online name search, so you can make sure your chosen name isn't already taken.
- [ ] **Choose a registered agent**
  They receive all official correspondence for your corporation.
- [ ] **Choose a board of directors**
  The board of directors oversees the operation of your corporation.
- [ ] **Draft and file your articles of incorporation with your Secretary of State**
  Many states allow you to file articles of incorporation online.
- [ ] **Get an Employer Identification Number (EIN)**
  Having an EIN allows you to open a business checking account. You need one even if you don't have employees.
- [ ] **Draft corporate bylaws**
  Your bylaws outline who is responsible for managing your business.
- [ ] **Create a shareholder agreement**
  If multiple individuals will hold shares in your corporation, you need a shareholder agreement.

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LLC registration checklist

- [ ] **Choose a business name.**
  Most states offer an online name search, so you can make sure your chosen name isn't already taken.
- [ ] **Choose a registered agent.**
  They receive all official correspondence for your LLC. You can be your own registered agent.
- [ ] **File formation documents with your Secretary of State.**
  The board of directors oversees the operation of your corporation.
- [ ] **Draft an LLC operating agreement.**
  If you are forming an LLC with multiple members, an operating agreement lays out procedures for making important business decisions.
- [ ] **Get an Employer Identification Number (EIN).**
  Having an EIN allows you to open a business checking account. You need one even if you don't have employees.

- [ ] **Elect S corporation status.**
  To elect S corp status, file IRS Form 2553.
- [ ] **Set up payroll.**
  In order to pay yourself as an employee of your corporation, you'll need a payroll system.
- [ ] **File your first S corporation tax return.**
  S corps report their income and deductions by filing IRS Form 1120S.
- [ ] **File Schedule K-1.**
  To report your share in the corporation's income and deductions.

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