



LIMITED LIABILITY COMPANIES

California Tax Information

Registration of a limited liability company (LLC) with the California Secretary of State (SOS) will obligate an LLC that is not taxed as a corporation to pay to the Franchise Tax Board (FTB) an annual minimum tax of \$800.00 and a fee based on the annual total income of the entity. The tax and fee are required to be paid for the taxable year of registration and each taxable year, or part thereof, until a Certificate of Cancellation is filed with the SOS. (Rev. and Tax. Code §§ 17941 and 17942.) An LLC is not subject to the taxes and fees imposed by Revenue and Taxation Code sections 17941 and 17942 if the LLC did no business in California during the taxable year and the taxable year was 15 days or less. (Rev. and Tax. Code § 17946.)

An LLC that is taxed as a corporation generally determines its California income under the Corporation Tax Law commencing with Revenue and Taxation Code section 23001.

PLEASE NOTE: A domestic nonprofit LLC is a taxable entity and subject to the tax requirements stated above unless the LLC has applied for tax-exempt status and the FTB determines the LLC qualifies for tax-exempt status. Therefore, until such a determination is made, a nonprofit LLC must file a return and pay the associated tax (and, if applicable, the fee) every year until the LLC is formally cancelled. If the LLC intends to seek tax exempt status:

- At the time of filing its Articles of Organization with the SOS, the LLC must include, in an attachment to that document, additional statements as required by the law under which the LLC is seeking exemption. Please refer to the FTB’s Exemption Application Booklet (FTB 3500 Booklet) for information regarding the required statements and for suggested language.
- After filing its Articles of Organization with the SOS, the LLC may apply for tax-exempt status by mailing an Exemption Application (Form FTB 3500), along with an endorsed copy of the Articles of Organization and all other required supporting documentation, to the FTB, P.O. Box 942857, Sacramento, California 94257-4041.
- The FTB 3500 Booklet and Form FTB 3500 can be accessed from the FTB’s website at www.ftb.ca.gov or can be requested by calling the FTB at 1-800-338-0505. For further information regarding franchise tax exemption, refer to the FTB’s website or call the FTB at (916) 845-4171.

For further information regarding franchise tax requirements, please contact the FTB at:

From within the United States (toll free)(800) 852-5711
 From outside the United States (not toll free)(916) 845-6500
 Automated Toll Free Phone Service(800) 338-0505

Professional Services Information

A domestic or foreign LLC may not render professional services. (Corp. Code § 17375.) “Professional services” are defined in California Corporations Code sections 13401(a) and 13401.3 as:

Any type of professional services that may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Business and Professions Code, the Chiropractic Act, the Osteopathic Act or the Yacht and Ship Brokers Act.

If your business is required to be licensed, registered or certified, it is recommended that you contact the appropriate licensing authority before filing with the SOS’s office in order to determine whether your services are considered professional.

INSTRUCTIONS FOR COMPLETING THE ARTICLES OF ORGANIZATION (FORM LLC-1)

For easier completion, this form is available on the Secretary of State's website at <http://www.sos.ca.gov/business/> and can be viewed, filled in and printed from your computer. The completed form along with the applicable fees can be mailed to Secretary of State, Document Filing Support Unit, P.O. Box 944228, Sacramento, CA 94244-2280 or delivered in person to the Sacramento office, 1500 11th Street, 3rd Floor, Sacramento, CA 95814. If you are not completing this form online, please type or legibly print in black or blue ink. This form is filed only in the Sacramento office.

Statutory filing requirements are found in California Corporations Code sections [17051](#) and [17052](#). All statutory references are to the California Corporations Code, unless otherwise stated.

FEES: The fee for filing Form LLC-1 is \$70.00. There is an additional \$15.00 special handling fee for processing a document delivered in person to the Sacramento office. The special handling fee must be remitted by separate check for each submittal and will be retained whether the document is filed or rejected. The preclearance and/or expedited filing of a document within a guaranteed time frame can be requested for an additional fee (in lieu of the special handling fee). Please refer to the Secretary of State's website at <http://www.sos.ca.gov/business/precexp.htm> for detailed information regarding preclearance and expedited filing services. The special handling fee or preclearance and expedited filing services are not applicable to documents submitted by mail. Check(s) should be made payable to the Secretary of State.

COPIES: The Secretary of State will certify two copies of the filed document(s) without charge, provided that the copies are submitted to the Secretary of State with the document(s) to be filed. Any additional copies submitted will be certified upon request and payment of the \$8.00 per copy certification fee.

Pursuant to Section [17375](#), a domestic limited liability company may not render professional services, as defined in Sections [13401\(a\)](#) and [13401.3](#). Professional services are defined as any type of professional services that may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Business and Professions Code, the Chiropractic Act, the Osteopathic Act or the Yacht and Ship Brokers Act. If your business is required to be licensed, certified or registered, it is recommended that you contact the appropriate licensing authority before filing with the Secretary of State's office in order to determine whether your services are considered professional.

Filing this document shall obligate most limited liability companies to pay an annual minimum tax of \$800.00 to the Franchise Tax Board pursuant to Revenue and Taxation Code section [17941](#).

Complete the Articles of Organization (Form LLC-1) as follows:

Item 1. Enter the name of the limited liability company. The name must end with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively. The name of the limited liability company may not contain the words "bank," "trust," "trustee," "incorporated," "inc.," "corporation," or "corp.," and must not contain the words "insurer" or "insurance company" or any other words suggesting that it is in the business of issuing policies of insurance and assuming insurance risks.

Item 2. This statement is required by statute and should not be altered. Provisions limiting or restricting the business of the limited liability company may be included as an attachment.

Items 3 & 4 Enter the name of the agent for service of process in California. An agent is an individual, whether or not affiliated with the limited liability company, who resides in California or a corporation designated to accept service of process if the company is sued. The agent should agree to accept service of process on behalf of the limited liability company prior to designation.

If a corporation is designated as agent, that corporation must have previously filed with the Secretary of State, a certificate pursuant to Corporations Code section [1505](#). Note, **a limited liability company cannot act as its own agent** and no domestic or foreign corporation may file pursuant to Section 1505 unless the corporation is currently authorized to engage in business in California and is in good standing on the records of the Secretary of State.

If an individual is designated as agent, complete Items 3 and 4. If a corporation is designated as agent, complete Item 3 and proceed to Item 5 (do not complete Item 4).

Item 5. Check the appropriate provision indicating whether the limited liability company is to be managed by one manager, more than one manager or all limited liability company members. Only one box may be checked.

Item 6. Attach any other information to be included in Form LLC-1, provided that the information is not inconsistent with law.

Item 7. Form LLC-1 must be signed by the organizer. The person signing Form LLC-1 need not be a member or manager of the limited liability company.

- If Form LLC-1 is signed by an attorney-in-fact, the signature should be followed by the words "Attorney-in-fact for (name of person)."
- If Form LLC-1 is signed by an entity, the person who signs on behalf of the entity should note their name and position/title and the entity name. Example: If a limited liability company ("Smith LLC") is the organizer, the signature of the person signing on behalf of the Smith LLC should be reflected as Joe Smith, Manager of Smith LLC, Organizer.
- If Form LLC-1 is signed by a trust, the trustee should sign as follows: _____, trustee for _____ trust (including the date of the trust, if applicable). Example: Mary Todd, trustee of the Lincoln Family Trust (U/T 5-1-94).

Any attachments to Form LLC-1 are incorporated by reference. All attachments should be 8 ½" x 11", one-sided and legible.



State of California Secretary of State

LLC-1

File # _____

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

A \$70.00 filing fee must accompany this form.

IMPORTANT - Read instructions before completing this form.

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).)

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA CITY STATE ZIP CODE CA

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- ONE MANAGER
MORE THAN ONE MANAGER
ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

DATE

SIGNATURE OF ORGANIZER

TYPE OR PRINT NAME OF ORGANIZER