GUIDE

How to start an LLC in Texas

To start an LLC in Texas, pick an available name, name a registered agent with a Texas address and file a Certificate of Formation (Form 205) with the Secretary of State, which costs $300. Then get an EIN, sign a company agreement, open a bank account and register for any Texas taxes you'll owe.

QUICK FACTS

- **State fee.** Form 205 filing fee with the Texas Secretary of State
- **Yearly.** Franchise tax information report every May 15
- **EIN.** From the IRS online, in minutes

How do I form an LLC in Texas?

1. **Choose a name.** It must include "Limited Liability Company", "LLC" or a similar ending, and be different from names already on file. Search on SOSDirect
2. **Pick a registered agent.** A person or company with a physical Texas address who accepts legal papers during business hours. You can be your own if you live in Texas
3. **File the Certificate of Formation.** Form 205, online through SOSDirect or by mail, with the $300 filing fee. Online filings are usually approved within a few business days
4. **Get an EIN.** Free from the IRS online. You'll need it for a bank account, payroll and most tax registrations
5. **Sign a company agreement.** Texas doesn't require you to file one, but you should have one. It sets ownership, who decides what, and what happens if a member leaves
6. **Open a business bank account** and keep business money separate from the start

General information, not tax advice for your situation.

Which Texas taxes do I register for?

TAX	WHO NEEDS IT	WHAT TO DO
Franchise tax	Every LLC	The Comptroller sets up your account. File the first information report the May after you form
Sales tax	LLCs selling taxable goods or services	Apply for a free sales and use tax permit before your first sale
Unemployment tax (TWC)	LLCs with employees in Texas	Register with the Texas Workforce Commission once you pay wages
Assumed name	LLCs using a name other than their legal name	File an assumed name certificate (Form 503) with the Secretary of State

Texas has no state income tax, so there's nothing to register for that.

How much does a Texas LLC cost?

The state charges $300 to form. There's no annual fee to the Secretary of State, but every LLC files a franchise tax information report each May. A registered agent service, if you use one, costs extra. Some cities and counties also require local permits or a certificate of occupancy before you open a location.

How is a Texas LLC taxed federally?

By default, a single-member LLC is taxed like a sole proprietorship on Schedule C, and a multi-member LLC files Form 1065. Once profit is steady, many owners elect S-Corp status with Form 2553 to save on self-employment tax. US-owned LLCs no longer file a beneficial ownership report with FinCEN.

Common questions

How much does it cost to start an LLC in Texas?
$300 to the Secretary of State for Form 205. Add a registered agent service if you don't use your own Texas address.

Does a Texas LLC pay an annual fee?
No annual fee to the Secretary of State. It files a franchise tax information report every May 15, and owes franchise tax only above $2,650,000 of revenue.

Can I be my own registered agent in Texas?
Yes, if you have a physical Texas address where you can accept legal papers during business hours.

Do I need a Texas sales tax permit for my LLC?
Only if you sell taxable goods or services in Texas. The permit is free from the Comptroller.

Starting a business?

We form the LLC, get the EIN and set up your books. Book a free 30-minute call at eminenttax.com/contact or call (972) 347-4590.

eminenttax.com

General information, not tax advice for your situation.