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ATOK Business Services, Inc.

Call Us

We can get the job done



BUSINESS & CORPORATE FORMATION

Agent For Service Of Process

What is an agent for service of process?

An agent is an individual (manager, member or any other person, whether or not affiliated with the company) who resides in California or a corporation designated by the LLC California to accept service of process if the company is sued. The agent must agree to accept service of process on behalf of the company prior to designation.

Business Resources

Small Business Administration

www.sba.gov

Counselors To America's Small Business

www.score.org

California's Association Of Independent
Businesses

www.caib.org

Annual Tax Fee

Every California Corporation or LLC doing business in California is subject to the annual tax fee of \$800. The tax must be paid for each taxable year until a Certificate of Cancellation is filed. The \$800 minimum tax is due directly to the Franchise Tax Board. Questions regarding franchise tax requirements must be directed to the **Franchise Tax Board**.

Tax Resources

Franchise Tax Board

www.ftb.ca.com

California Tax Service Center

www.taxes.ca.gov

U.S Securities Exchange And Commission

www.sec.gov

S Corporation

A traditional corporation, known as a C corporation, is taxed as a separate entity, leading to double taxation of corporate income and dividends to shareholders. An S-corporation, on the other hand, is a corporation that elects to be treated as a pass-through entity (such as a sole proprietorship or partnership) for tax purposes. Since all corporate income is "passed through" directly to the shareholders who include the income on their individual tax returns, S-corporations are not subject to double taxation.

Professional Corporation

A legal structure authorized by state law for a fairly narrow list of licensed professions, including lawyers, doctors, accountants, many types of higher-level health providers and often architect. Unlike a regular corporation, a professional corporation does not absolve a professional for personal liability for their own negligence or malpractice. The main reason why groups of professions choose this organizational structure is that, unlike a general partnership, owners are not personally liable for the malpractice of other owners.

Sole Proprietorship

The vast majority of small businesses start out as sole proprietorships. These firms are owned by one person, usually the individual who has day-to-day responsibilities for running the business. Sole proprietors own all the assets of the business and the profits generated by it. They also assume complete responsibility for any of its liabilities or debts. In the eyes of the law and the public, you are one in the same with the business.

C-Corporation

A corporation, chartered by the state in which it is headquartered, is considered by law to be a unique entity, separate and apart from those who own it. A corporation can be taxed; it can be sued; it can enter into contractual agreements. The owners of a corporation are its shareholders. The shareholders elect a board of directors to oversee the major policies and decisions. The corporation has a life of its own and does not dissolve when ownership changes.

Limited Liability Company (LLC)

The LLC is a relatively new type of hybrid business structure that is now permissible in most states. It is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership. Unlike a partnership, none of the members of an LLC California are personally liable for its debts. An LLC California may be classified for Federal income tax purposes as if it were a sole proprietorship (referred to as an entity to be disregarded as separate from its owner), a partnership or a corporation. If the LLC California has only one owner, it will automatically be treated as if it were a sole proprietorship.

Non Profit Organization

A non-profit organization is a group organized for purposes other than generating profit and in which no part of the organization's income is distributed to its members, directors, or officers. Non Profit corporations are often termed "non-stock corporation".

Non-profit organizations must be designated as nonprofit when created and may only pursue purposes permitted by statutes for non-profit organizations. Non-profit organizations include churches, public charities, political organizations, volunteer services organizations, research institutes, and some governmental agencies.

Why Should You Incorporate Your Business?



Incorporation means taking your business to a new level that can provide numerous benefits. Essentially, when you incorporate a business, instead of remaining in a partnership or a sole proprietorship, you establish the business as an entity separate from you.

Typically, the number one reason for choosing incorporation is that it limits your personal liability. Provided you do not commit illegal or negligent acts while running the business, you are not staking your personal property if you find yourself with debts you can't handle or a lawsuit that threatens your personal assets. Incorporation provides protection.

Tax Identification Number

An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN.

Dun & Bradstreet D-U-N-S Number

The D-U-N-S Number is a unique nine-digit identification sequence, which identifies business entities, while linking corporate family structures together. Establishing your business credit file can help you with the following:

1. Obtain better interest rates and terms from banks and lenders increase the likelihood that others will extend credit to you.
2. You could receive lower insurance premiums such as workers' Compensation, which makes it easier for business partners to assess the risk of doing business with you.
3. A business credit file enables other companies to assess your creditworthiness before making critical decisions about whether to do business with you, and at what terms.
4. Government Contracting requires a D-U-N-S Number prior to registration.

Not having a business credit file with D&B (or having an incomplete file) can make your company appear to be unsound financially and could cost you valuable business.
