



Starting A Business

Quick guide to starting your small business

Aapril Tax Service Inc

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Business Entities

There are several ways a small business can be treated.

Sole Proprietor— This is the least expensive way to establish your business. There are no fees to pay to set up a sole proprietor business. Your income and expenses are reported to the IRS on a Schedule C as part of your regular 1040 tax return. It is recommended that you obtain a Employer Federal Identification Number (EFIN) so you can give this number to other business rather than your social security number. You should also fill out the paperwork with the Lake County Clerk's office Assumed Business Name forms. Forms can be found on their website at <http://lakecountyil.gov/CountyClerk/VitalRecords/PublicFilings/AssumedBusinessNames.htm> or see the forms at the back of this booklet.

Partnership - A partnership is the relationship existing between two or more persons who join to carry on a trade or business. Each person contributes money, property, labor or skill, and expects to share in the profits and losses of the business.

A partnership must file an annual information return to report the income, deductions, gains, losses, etc., from its operations, but it does not pay income tax. Instead, it "passes through" any profits or losses to its partners. Each partner includes his or her share of the partnership's income or loss on his or her tax return.

Partners are not employees and should not be issued a Form W-2. The partnership must furnish copies of Schedule K-1 (Form 1065) to the partners by the date Form 1065 is required to be filed, including extensions. Partners pay self-employment tax on the profits of the business as shown on the K-1.

Limited Liability Company (LLC) - An LLC can be treated as a Sole Proprietor, Partnership, S-Corp or a C-Corp. Although the LLC offers some corporate protection it can be pierced by a lawyer if it is not being treated properly by the owner. Tax filing is dependant on how the LLC is treated. An LLC can have less paperwork than an S or C corporation.

Corporations - C-Corporations vs. S-Corporations - An eligible domestic corporation can elect to be taxed as an S-Corporation. An S-Corporation generally does not pay Federal income tax-its profits and losses pass through directly to shareholders. This avoids the C-Corporation double tax , and allows shareholders to deduct corporate losses on their individual returns.

Set up fees

Sole Proprietor

The IRS does not charge for an Employer Identification Number. Filing the paperwork for an Assumed Business Name has a \$5 fee paid to the county.

Aapril Tax Service Inc processing fee \$100

Partnership

The IRS does not charge for an Employer Identification Number.

Aapril Tax Service Inc processing fee \$100

LLC

Fees needed to file the Articles of Organization online with the State of Illinois is:

Filing Fee	\$150.00
Expedited Fee	\$100.00
Payment Processing Fee	<u>\$ 12.75</u>
Total	\$262.75

Annual renewal fee is \$ 75

Aapril Tax Service Inc processing fee \$350

Corporations

The fees needed to file the Articles of Incorporation for C or S corporations in Illinois are:

Franchise Tax	\$ 25.00
Filing Fee	\$ 150.00
Expedited Fee	\$ 100.00
Payment Processing Fee	<u>\$ 12.75</u>
Total	\$ 287.75

Annual renewal fee is \$ 75.

Aapril Tax Service Inc processing fee \$350

Bookkeeping Fees

Complete package

\$275 a month

Weekly Payroll
Monthly/Quarterly Payroll Reports
Monthly Bank Reconciliation
Monthly Profit & Loss Statement
Monthly Balance Sheet
Sales tax (if applicable)
Year end W2's and 1099's

Payroll checks can be printed in our office and delivered to your business or totals can be faxed or emailed and the business can write the checks.

Monthly filing and payment of Federal and State withholdings are done electronically.

Payroll service only

\$100 a month

\$125 quarter months

Weekly Payroll
Monthly/Quarterly Payroll Reports
Year end W2's

Payroll checks can be printed in our office and delivered to your business or totals can be faxed or emailed and the business can write the checks.

Monthly filing and payment of Federal and State withholdings are done electronically.

Bookkeeping Only

\$200 a month

Monthly Bank Reconciliation
Monthly Profit & Loss Statement
Monthly Balance Sheet
Sales tax (if applicable)
Quarterly Payroll Reports
Year end W2's and 1099's

Bookkeeping Fees Continued

Sales Tax Only

\$40 - \$50 a month

Illinois Sales Tax Form

\$40

Waukegan Restaurant Sales Tax Form

\$10

We understand that being self employed is very time consuming that is why we pick up bookkeeping from our clients home/business. We meet at times that work with your schedule in your home, business or our Waukegan office.

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.¹ See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a-8a, 8b-c (if applicable), 9a, 9b (if applicable), and 10-14 and 16-18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a-6, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10-18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) ²	Complete lines 1-18 (as applicable).
Purchased a going business ³	Does not already have an EIN	Complete lines 1-18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust ⁴	Complete lines 1-18 (as applicable).
Created a pension plan as a plan administrator ⁵	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a-5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	Complete lines 1-5b, 7a-b (SSN or ITIN optional), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1-6, 9a, 10-12, 13-17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	Complete lines 1, 2, 4a-5b, 9a, 10, and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes ⁸	Complete lines 1-18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation ⁹	Complete lines 1-18 (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

² However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

³ Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

⁸ See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

▶ See separate instructions for each line. ▶ Keep a copy for your records.

OMB No. 1545-0003

EIN

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested		
	2 Trade name of business (if different from name on line 1)		3 Executor, administrator, trustee, "care of" name
	4a Mailing address (room, apt., suite no. and street, or P.O. box)		5a Street address (if different) (Do not enter a P.O. box.)
	4b City, state, and ZIP code (if foreign, see instructions)		5b City, state, and ZIP code (if foreign, see instructions)
	6 County and state where principal business is located		
	7a Name of responsible party		7b SSN, ITIN, or EIN
8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No			8b If 8a is "Yes," enter the number of LLC members
8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No			
9a Type of entity (check only one box). Caution. If 8a is "Yes," see the instructions for the correct box to check.			
<input type="checkbox"/> Sole proprietor (SSN) <input type="checkbox"/> Estate (SSN of decedent)			
<input type="checkbox"/> Partnership <input type="checkbox"/> Plan administrator (TIN)			
<input type="checkbox"/> Corporation (enter form number to be filed) ▶ <input type="checkbox"/> Trust (TIN of grantor)			
<input type="checkbox"/> Personal service corporation <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government			
<input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military			
<input type="checkbox"/> Other nonprofit organization (specify) ▶ <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises			
<input type="checkbox"/> Other (specify) ▶ Group Exemption Number (GEN) if any ▶			
9b If a corporation, name the state or foreign country (if applicable) where incorporated		State	Foreign country
10 Reason for applying (check only one box)			
<input type="checkbox"/> Started new business (specify type) ▶ <input type="checkbox"/> Banking purpose (specify purpose) ▶			
<input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Changed type of organization (specify new type) ▶			
<input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Purchased going business			
<input type="checkbox"/> Other (specify) ▶ <input type="checkbox"/> Created a trust (specify type) ▶			
<input type="checkbox"/> Created a pension plan (specify type) ▶			
11 Date business started or acquired (month, day, year). See instructions.		12 Closing month of accounting year	
13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.		14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/>	
Agricultural		Household	
		Other	
15 First date wages or annuities were paid (month, day, year). Note. If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶			
16 Check one box that best describes the principal activity of your business.			
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker			
<input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail			
<input type="checkbox"/> Other (specify)			
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.			
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If "Yes," write previous EIN here ▶			

Third Party Designee	Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.	
	Designee's name	Designee's telephone number (include area code)
	Address and ZIP code	Designee's fax number (include area code)
	Applicant's telephone number (include area code)	
Name and title (type or print clearly) ▶		Applicant's fax number (include area code)
Signature ▶		Date ▶



SUPPLEMENTARY ASSUMED BUSINESS NAME FILING INSTRUCTIONS

Willard Rooks Helander
Lake County Clerk
18 N. County Street, Rm. 101
Waukegan, IL 60085
(847) 377-2400

NECESSITY OF CERTIFICATE

The appropriate Supplementary Assumed Business Name form must be filed under the following circumstances:

1. An owner changes their name or their residential address.
2. The address of any place of business is changed.
3. A person's name is added to the business organization.
4. An additional business address is established.
5. A person withdraws their name from the business organization.

FILING PROCEDURES FOR SUPPLEMENTARY FILINGS

1. Complete in duplicate the applicable Supplementary Assumed Business Name form. Please type or print in black ink.
2. All owners must sign the form in the presence of a Notary Public and have both copies notarized.
3. Return the forms to our office with the \$5.00 filing fee except when filing a withdrawal certificate in which case the fee is \$1.50. A date-stamped copy of your filing is issued as your receipt.
4. Take receipt to a Lake County newspaper for publication as a legal notice once a week for three consecutive weeks. The first publication must appear in the newspaper within fifteen (15) days after the date you filed the form in our office. The newspaper will type set the legal notice from your date-stamped copy. (Publication is not necessary for a Supplementary Certificate for Withdrawal if less than 25% of the ownership is withdrawing.)
5. File the original "certificate of publication" (issued by the newspaper after the third week) with our office within fifty (50) days of the date you filed the Supplementary Assumed Business Name form in our office (steps 1, 2 & 3 above). We will issue a receipt for the publisher's certificate.

**UNLESS PROOF OF PUBLICATION IS FILED WITH THE COUNTY CLERK, THE SUPPLEMENTARY
FORM OF THE ASSUMED BUSINESS NAME IS VOID.**



ASSUMED BUSINESS NAME APPLICATION FILING INSTRUCTIONS

Willard Rooks Helander
Lake County Clerk
18 N. County Street, Rm. 101
Waukegan, IL 60085
(847) 377-2400

NECESSITY OF CERTIFICATE

The following is an excerpt from Chapter 805 of the Illinois Compiled Statutes 405/1:

No person or persons shall conduct or transact business in this State under an assumed name, or under any designation, name or style, corporate or otherwise, other than the real name or names of the individual or individuals conducting or transacting such business, unless such person or persons shall file in the office of the County Clerk of the County in which such person or persons conduct or transact or intend to conduct or transact such business, a certificate setting forth the name under which the business is, or is to be, conducted or transacted, and the true or real full name or names of the person or persons owning, conducting or transacting the same, with the post office address or addresses of such person or persons and every address where such business is, or is to be, conducted or transacted in the county. The certificate shall be executed and duly acknowledged by the person or persons so conducting or intending to conduct the business.

NOTE: CORPORATIONS AND LIMITED PARTNERSHIPS FILE WITH THE SECRETARY OF STATE. YOU SHOULD SEEK LEGAL ADVICE TO DETERMINE WHAT FILINGS ARE NECESSARY IN SUCH CASES.

FILING PROCEDURES

1. Complete in duplicate the Assumed Business Name Application. Please type or print in black ink.
2. All owners must sign the form in the presence of a Notary Public and have both copies notarized.
3. Return the forms to our office with the \$5.00 filing fee. A date-stamped copy of your filing is issued as your receipt.
4. Take receipt to a Lake County newspaper for publication as a legal notice once a week for three consecutive weeks. The first publication must appear in the newspaper within fifteen (15) days after the date you filed the form in our office. The newspaper will type set the legal notice from your date-stamped copy.
5. File the original "certificate of publication" (issued by the newspaper after the third week) with our office within fifty (50) days of the date you filed the Assumed Business Name Application in our office (steps 1, 2 & 3 above). We will issue a receipt for the publisher's certificate.

UNLESS PROOF OF PUBLICATION IS FILED WITH THE COUNTY CLERK, THE APPLICATION OF THE ASSUMED BUSINESS NAME IS VOID.

PUBLISHERS LIST FOR LEGAL NOTICES

LAKE COUNTY JOURNALS

Antioch Journal	Randi Grossman
Fox Lake Journal	1100 Washington St.
Grayslake Journal	Suite 101
Gurnee Journal	Grayslake, IL 60030
Lake Villa Journal	(847) 223-8161
Libertyville Journal	*Fax: (847) 223-8810
Lindenhurst Journal	
Mundelein Journal	
Round Lake Journal	
Wadsworth Journal	
Wauconda Journal	
Waukegan Journal	

DAILY HERALD

Kathleen Solan
P. O. Box 280
Arlington Heights, IL 60006
(847) 427-4671
*Fax: (847) 427-1146

PIONEER PRESS/LAKE COUNTY NEWS SUN

Barrington Courier Review	David Fontechia
Buffalo Grove Countryside	3701 W. Lake Ave
Deerfield Review	Glenview, IL 60026
Lake Forester	(847) 998-3400 (option 5)
Lake Zurich Courier	*Fax: (630) 978-8531
Libertyville Review	
Mundelein Review	
Vernon Hills Review	

ZION BENTON NEWS

Lynn Connell
2711 Sheridan Rd., Unit # 202
Zion, IL 60099
(847) 746-9000
*Fax: (847) 746-9150

* Publishers that include a fax number allow Assumed Business Names Application to be faxed to them as long as the publication is being paid for by a credit card. After faxing the information **call** the publisher with the credit card information. The first publication shall be within **15 days** after the certificate is filed in the office of the County Clerk.
