

How to Start and File an LLC

**New Mexico Rainforest University Center Webinars
U.S Economic Development Administration**

<https://zoom.us/j/686286367>

Stacy Sacco, MBA
sasacco@unm.edu
505-489-2311

Lecturer I, Entrepreneurial Studies
UNM Anderson School of Management
www.mgt.unm.edu

Director, UNM Small Business Institute
<https://sbi.mgt.unm.edu/>

President/CEO, Sacco Connections LLC
Publisher, New Mexico Networking Links
www.nmnetlinks.com

DISCLAIMER: This presentation is for informational purposes only and is not meant to take the place of professional legal, accounting or financial advice. If you have any legal questions about this or any other matter, you should consult with an attorney in your jurisdiction.

Steps to Launch a Small Business

Step #	Agency	Reason	Contact Information	Fee
1	NM Secretary of State	LLC Registration Mail it in or drive to Santa Fe for same day service (Search for Entity)	www.sos.state.nm.us/default.aspx New Mexico Capitol Annex North 325 Don Gaspar, Suite 300 Santa Fe, NM 87501 505-827-4671	\$50 \$100 Two Day \$150 Same Day
		Search for name Articles of Organization (53-19-8 NMSA 1978)		
2	IRS	Employer Identification Number (EIN) aka Federal Tax ID #	www.irs.gov/Businesses/Small-Businesses-&Self-Employed/	\$0
3	NM Taxation & Revenue Department	Register a New Business	https://tap.state.nm.us/tap/_/#4 505-841-6352 866-285-2996 TRD-Tap-TechnicalHelp@state.nm.us	\$0
4	City of Albuquerque Treasury Department	CABQ Business License	www.cabq.gov/dfa/treasury City of Albuquerque Treasury Department Plaza Del Sol Building 600 2nd St NW Albuquerque, NM 87103	\$35
5	NM Department of Workforce Solutions	Employer Registration Employer Account Number (EAN)	www.dws.state.nm.us/Business/UnemploymentInsurance/UnemploymentInsuranceTax	\$0
6	NM Secretary of State	Trademarks	www.sos.state.nm.us/default.aspx New Mexico Capitol Annex North 325 Don Gaspar, Suite 300 Santa Fe, NM 87501 505-827-4671	\$25

Congratulations on making the decision to launch your own business. It's important to follow these steps in order.

- ☐ **Make a plan**
Studies show that business owners who craft a business plan have a higher rate of success. Find a resource that works with you to craft the plan. WESST can help! Find more info at our Business Plan Toolkit page:
<https://www.wesst.org/business-resources/biz-plan-tools-examples/>
- ☐ **Choose a Name**
When it comes time to give your business a name, a small amount of initial thought and research can pay dividends later on in the process. The Small Business Administration has a very useful online resource:
<https://www.sba.gov/business-guide/launch-your-business/choose-your-business-name>
- ☐ **Choose a legal structure**
WESST can't offer you legal advice, but an attorney can. The SBA has information about business legal structures here: <https://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/choose-your-business-stru>. WESST also provides referrals to local attorneys and CPAs through its referral program. The NM Secretary of State has a FAQ page on NM Corporations:
http://www.sos.state.nm.us/Business_Services/Corporations_Overview.aspx
- ☐ **Obtain a federal tax ID number**
Your business must be recognized by the federal government. While your personal Social Security number might suffice for a sole proprietorship, most businesses require an Employer Identification Number, or EIN. See this IRS page on obtaining an EIN: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- ☐ **Obtain a state gross receipts tax (CRS) number**
Apply for a state gross receipts tax number online at the New Mexico Tax and Revenue Service website at the Register Your Business page: <http://www.tax.newmexico.gov/Businesses/register-your-business.aspx>
You must have an EIN before you apply for the state number.
- ☐ **Obtain a City or County License (depending on your location)**
In the City of Albuquerque, you must apply (and renew annually) a business license. For more information on registering your business in the City of Albuquerque, go to: <http://posse.cabq.gov/posse/pub/lms/Login.aspx> and for more information on registering your business in Bernalillo County, go to: <http://www.bernco.gov/planning/business-license-registration.aspx>
- ☐ **Obtain necessary permits, certifications and zoning approval.**
Permits and certifications are required for specific industries, including construction, financial services, manufactured housing, alcohol and gaming. To see whether your business requires special permits, visit
<http://www.rld.state.nm.us/>
- ☐ **Follow the law when you hire**
The U.S. Department of Labor website at www.dol.gov, lists federal rules governing workplace safety, wages and hours and nondiscrimination. Find rules specific to New Mexico – such as the state minimum wage – at the NM Department of Workforce Solutions, www.dws.state.nm.us. This is also where you register as an employer. To register for workers' compensation insurance, visit the Workers' Compensation Administration at <https://workerscomp.nm.gov/>
- ☐ **Other Important Steps!** WESST can assist your new business with **consulting, training, low-cost business loans, incubation and coworking**. Contact us today to find out more: <https://www.wesst.org/contact-us/>

Business Legal Structures

- **Sole proprietorship**
 - Owned by one person with unlimited liability and unlimited rights to profits
- **Partnership**
 - Two or more owners who make joint decisions and share profits, losses, assets, and liabilities
- **Corporation**
 - Legal entity composed of stockholders under a common name
 - Can sell ownership as shares of stock
 - Income taxed twice: as corporate income, and as personal income when dividends are distributed to shareholders
- **Subchapter S corporation**
 - Has a limit of 75 stockholders
 - Income taxed once, as personal income of owners
- **Professional corporation (PC)**
 - Used by doctors, lawyers, and small groups of professionals
 - Subject to special rules, such as licensing requirements
- **Nonprofit corporation**
 - Purpose is to improve society; all net profits go toward advancing the mission
 - Tax exempt; must follow applicable laws and regulations to keep this status
 - May not sell stock or pay dividends
- **Limited liability company (LLC)**
 - Combines features of partnership and corporation
 - Good choice for business owners seeking liability protection
 - Income taxed once, as personal income of owners
 - Less rules on number/type of shareholders than S corp.

Comparison of Legal Structures

COMPARISON OF LEGAL STRUCTURES						
	Sole Proprietorship	General or Limited Partnership	C Corporation	Subchapter S Corporation	Nonprofit Corporation	Limited Liability Company
Ownership	The proprietor	The partners	The stockholders	The stockholders	No one	The members
Liability	Unlimited	Limited in most cases	Limited	Limited	Limited	Limited
Taxation Issues	Individual* (lowest rate)	Individual* (lowest rate)	Corporate rate; "double taxation"	Individual* (lowest rate)	None	Individual* (lowest rate)
How profits are distributed	Proprietor receives all	Partners receive profits according to partnership agreement	Earnings paid to stockholders as dividends in proportion to the number of shares owned	Earnings paid to stockholders as dividends in proportion to the number of shares owned	Surplus cannot be distributed	Same as partnership
Voting on policy	Not necessary	The partners	Common voting stockholders	Common voting stockholders	The board of directors/trustees agreement	Per agreed-on operating procedure
Life of legal structure	Terminates on death of owner	Terminates on death of partner	Unlimited	Unlimited	Unlimited through trustees	Variable
Capitalization	Difficult	Easier than sole proprietorship	Excellent—ownership is sold as shares of stock	Good—same as partnership	Difficult because there is no ownership to sell as stock	Same as partnership

*When the double taxation of corporations is taken into account.

Articles of Organization

- The name of your LLC
- The name and address of your LLC's registered agent
- A statement of the LLC's purpose
- An indication of how the LLC will be managed
- The address of the LLC's principal place of business
- The LLC's duration; and
- One or more authorized signatures.



New Mexico
Secretary of State
325 Don Gaspar, Suite 300 · Santa Fe, NM 87501
(800) 477-3632 · www.sos.state.nm.us



**SUBMIT ORIGINAL AND A COPY
TYPE OR PRINT LEGIBLY**

**Limited Liability Company
ARTICLES OF ORGANIZATION**

FILED
SOS
Corporation Bureau
LLC
DEC 19 2014

The undersigned, acting as organizer(s) of a limited liability company pursuant to the New Mexico Limited Liability Company Act, adopt the following Articles of Organization:

ARTICLE ONE: The name of the limited liability company is: _____

SACCO CONNECTIONS, LLC

ARTICLE TWO: The period of duration (if other than perpetual) is: _____

ARTICLE THREE:

(1) The New Mexico street address of the company's initial registered office is:

1201 CANNONADE CT SE, ALBUQUERQUE, NM 87123
(P.O. Box is not acceptable. Provide a description of the geographical location if a street address does not exist.)

(2) The name of the initial registered agent at that address is: STACY A. SACCO

(3) The street address of the company's principal place of business, if different from its registered office, is: _____

ARTICLE FOUR (check only if applicable):

☒ YES Management of the business and affairs of the company is vested in a manager.

ARTICLE FIVE (check only if applicable):

☒ YES The limited liability company is a single member limited liability company.

ARTICLE SIX: If these Articles of Organization are not to be effective upon filing with the commission, the effective date is: *(if an effective date is specified here, it cannot be a date prior to the date the articles are received by the commission)* _____

Dated: 12/19/14

Stacy A. Sacco

STACY A. SACCO

Signature of Organizer(s)

Printed Name(s)

Form DLLC
(revised 06/13)

RECEIVED
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DEC 19 2014



New Mexico
Secretary of State

325 Don Gaspar, Suite 300 · Santa Fe, NM 87501
(800) 477-3632 · www.sos.state.nm.us

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DEC 19 2014

STATEMENT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT

I, STACY A SACCO,

hereby acknowledge that the undersigned individual or corporation accepts the appointment as
Initial Registered Agent of

SACCO CONNECTIONS, LLC,
the limited liability company which is named in the annexed Articles of Organization.

Stacy A. Sacco

(Sign on this line if the registered agent named in the Articles of Organization is an
individual. If this line is signed, the two lines below do not apply and must be left blank.)

CORPORATION ACTING AS A REGISTERED AGENT ONLY

(If the following lines are used, the signature line above does not apply and must be left
blank)

(If the registered agent named in the Articles of Organization is a corporation, limited
liability company, or partnership, type or print the name of that entity here.)

By _____
(An authorized person of the entity being appointed as registered agent must sign here)

Form DLLC-STMNT
(revised 06/13)

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SOS
Corporation Bureau

DEC 19 2014

OFFICE OF THE SECRETARY OF STATE

NEW MEXICO

Certificate Of Organization

OF

SACCO CONNECTIONS, LLC

4994701

The Office of the Secretary of State certifies that the Articles Of Organization, duly signed and verified pursuant to the provisions of the

Limited Liability Company Act

(53-19-1 To 53-19-74 NMSA 1978)

have been received and are found to conform to law. Accordingly, by virtue of the authority vested in it by law, the Office of the Secretary of State issues this Certificate Of Organization and attaches hereto a duplicate of the Articles Of Organization.

Dated : **December 19, 2014**

In testimony whereof, the Office of the Secretary of State has caused this certificate to be signed on this day in the city of Santa Fe, and the seal of said office to be affixed hereto.



A handwritten signature in dark ink, reading "Dianna J. Duran", is written over a horizontal line.

Dianna J. Duran
Secretary of State

Additional Resources

New Mexico Secretary of State

<https://www.sos.state.nm.us/business-services/start-a-business/>

Business Name Search

<https://portal.sos.state.nm.us/BFS/online/Account>

Registering Your Domain Name

<https://www.networksolutions.com/>

Registering Your User Name Across Different Platforms

<https://www.namechk.com/>

The Small Business Start-Up Kit, Peri H. Pakroo, J.D., NOLO Publications

<https://www.nolo.com/>

Ultimate LLC Compliance Guide, Michael Spadaccini, Entrepreneur Media, Inc., 2011.

<https://www.entrepreneur.com/>

UNM Lobo Rainforest Resources

<http://loborainforest.com/resources/>

- Training
- Mentoring
- Funding
- Accelerators/Incubators
- Events / Networking

4/6/2020 - NM Small Business Recovery: Expand Your Business Online

4/23/2020 - Virtual Mentoring for Entrepreneurs

5/8/2020 - Virtual Seminar – Success Factors to Achieve Business Longevity

5/8/2020 - Virtual Mentoring for Entrepreneurs

5/15/2020 - Rainforest Mentor Office Hours

New Mexico Networking Links (3,500+ links)

<https://www.nmnetlinks.com/>

Small Business:

- Albuquerque Entrepreneurial Ecosystem
- ABQ Small Business Resources
- 2nd Stage Business Resources
- Resource Directories and Buy local Programs

NM Economic Development Department Resource Directory (163 links)

<https://gonm.biz/business-development/brc-directory/>

Larry Donahue, Attorney, Law 4 Small Business

<https://www.l4sb.com/>