How to Start and File an LLC

New Mexico Rainforest University Center Webinars
U.S Economic Development Administration
https://zoom.us/j/686286367

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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**

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

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

*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.
Limited Liability Company
ARTICLES OF ORGANIZATION

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: 12/9/14

STACY A. SACCO  STACY A. SACCO

Signature of Organizer(s)  Printed Name(s)

Form DLLC
(revised 06/13)
New Mexico   
Secretary of State   
325 Don Gaspar, Suite 300 • Santa Fe, NM 87501   
(800) 477-3832 • www.sos.state.nm.us   

STATEMENT OF ACCEPTANCE OF APPOINTMENT   
BY DESIGNATED INITIAL REGISTERED AGENT   

I,  __________________________ ,   

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

_______________________________   

the limited liability company which is named in the annexed Articles of Organization.   

_______________________________   

(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)
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.

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/

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/