

# How to Form an LLC in Illinois

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 llcuniversity.com/illinois-llc

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## Illinois LLC Costs:

Illinois state fee: \$150 (by mail), \$250 (online filing)

Annual Report fee: \$75 (by mail), \$125 (online filing)

## Need to save time?

Hire a professional to form your LLC in Illinois:

Northwest (\$39 + state fee) or LegalZoom (\$149 + state fee)

*Note:* Illinois LLC fees were greatly reduced on December 20th, 2017. Our Illinois LLC course is up-to-date and reflects all changes. If you see higher state fees on another website, that information is outdated. For details on all new fees, please see our full article: [Illinois LLC filing fees reduced](#)

An Illinois LLC (Limited Liability Company) is a legal entity/business structure created in order to protect your personal assets in the event of a lawsuit. If your business is sued, your personal assets (such as your bank accounts, homes, and vehicles) are protected.

An Illinois LLC can be formed to run and operate a business, or an LLC can be used to purchase assets, such as real estate, aircraft, boats, and vehicles.

To form your own Illinois LLC, you can either follow the steps in our Quick Start Guide below, or you can go through the detailed lessons above.

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## 1. Illinois LLC Name

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- The first step to forming your own Illinois LLC is making sure your desired name is available and unique.
- Under Illinois law ([805 ILCS 180/1-10](#)), your LLC's name must be "distinguishable upon the record". This means it must be unique when compared to the existing companies registered in Illinois.
- **Search your Illinois LLC name here:** <https://www.ilsos.gov/corporatellc/>

- **Designator:** your LLC name must end with a proper designator. Illinois law allows the following designators:

- “LLC” (most common)
- “L.L.C.”
- “Limited Liability Company”

## 2. Illinois Registered Agent

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- By Illinois law ([805 ILCS 180/1-35](#)), all LLCs are required to designate a Registered Agent in their LLC filing forms, the Articles of Organization.
- A Registered Agent (either a person or company) receives documents, notices and legal mail (called Service of Process) on behalf of your LLC.
- Your Registered Agent must have a street address in Illinois (PO boxes are not allowed). Also, if the Registered Agent is a person, then he/she must be a resident of Illinois. To remain in compliance with the state, your LLC must continually maintain a Registered Agent, and the Registered Agent should be available during normal business hours
- **Who is qualified to be your Registered Agent in Illinois?**

The following can be your LLC’s Registered Agent:

- You
- A friend or family member
- A Commercial Registered Agent

- **Commercial Registered Agent in Illinois:** If you don’t have an address in Illinois, or prefer not to use a friend or family member’s address, we recommend hiring [Northwest Registered Agent](#) (\$125 per year). Northwest has been in the business for over 20 years and they have great customer support. Any mail that is sent to your LLC will be scanned by them and uploaded to your online account.

## 3. Articles of Organization

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- **Illinois LLC form:** Articles of Organization (Form LLC-5.5):  
[http://www.cyberdriveillinois.com/publications/pdf\\_publications/llc55.pdf](http://www.cyberdriveillinois.com/publications/pdf_publications/llc55.pdf)
- **Illinois LLC filing fee:** \$150 (by mail), \$250 (online filing). If filing by mail, the state does not accept personal checks. You must use a money order or certified check made payable to the “Illinois Secretary of State”. If filing online, you can make payment with a debit or credit card.
- **Illinois LLC approval times:** 15 business days (by mail) or 1-2 business days (online filing).

- **Which filing method to choose:** If you are not in a hurry and want to save money, then file your Articles of Organization by mail. If you want a faster processing time and are willing to spend extra, then file online.

- **Mailing address:**

Secretary of State  
Department of Business Services  
Limited Liability Division  
501 S 2nd Street, Room 351  
Springfield, IL 62756

*Important:* if filing by mail, you must send 2 copies of the Articles of Organization.

- **Online LLC filing:** <https://www.ilsos.gov/llcarticles/index.jsp>

- **What you get back:** a stamped and approved copy of your Articles of Organization and a Welcome Letter. Your Welcome Letter includes your LLC's Entity File Number, a unique identifier used by the Illinois Secretary of State. If you file by mail, these documents are returned by mail. If you file online, these documents are returned by email.

**Need to save time?** Hire a professional to form your Illinois LLC:  
[Northwest \(\\$39 + state fee\)](#) or [LegalZoom \(\\$149 + state fee\)](#)

## 4. LLC Operating Agreement

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- An Operating Agreement contains the rules between the members of the LLC. This includes but is not limited to the rights and duties of each member, how profits/losses are divided, and how taxes are paid.

- The Operating Agreement is where you will list all the members (owners) of your LLC and how much of the LLC they each own. Even if you own the LLC by yourself (a "Single-member LLC"), it is highly recommended that you keep an Operating Agreement.

- The Operating Agreement does not need to be sent to the Illinois Secretary of State or to any other state agency. Just store a copy with the rest of your LLC's business records.

- In the event you were to end up in court, having an Operating Agreement shows that you're operating your business properly. This helps keep your personal assets safe and protected.

- **Free Operating Agreement for your Illinois LLC.** Choose your preferred file type (they're all the same agreement): [PDF](#) | [Google Doc](#) | [Microsoft Word](#)

## 5. Federal Tax ID Number (EIN)

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- A Federal Tax ID Number is also known as an Employer Identification Number, or EIN for short. Other names (which all mean the same thing) are FEIN, Federal Tax Number, and Federal Employer Number.
- **After** your LLC is approved, you should then apply for an EIN from the IRS. Do not apply for your EIN until you receive approval from the Illinois Secretary of State.
- The EIN is issued by the Internal Revenue Service (IRS) to various business. It's used to identify your company, similar to a social security number for an individual person. It's used to file taxes and handle payroll for employees, if applicable.
- EINs are also needed to open an LLC business checking account.
- **An EIN is \$0:** That's correct. EINs are provided free from the IRS.
- **How to get an EIN:** There are 3 ways to get an EIN for your LLC.
  - by mail (approval takes 4 weeks)
  - by fax (approval take 4 business days)
  - or online application (approval is instant at the end of the application)
- **If applying by mail or fax:** use Form SS-4. The mailing address is Internal Revenue Service, Attn: EIN Operation, Cincinnati, OH 45999, and the fax number is 855-641-6935.
- **Online application:** the online EIN application is the most common (and fastest) method, but this can only be used if the “responsible party” has a social security number, and as long as the LLC is owned by individuals, and not another company (see below).
- **No SSN/non-US citizens and non-US residents:** You can still obtain an EIN from the IRS if you are a non-US citizen, non-US resident, or you don't have a social security number. You just can't get the EIN using the online application. You'll instead need to mail or fax Form SS-4 to the IRS and where it asks for your SSN (line 7b), write “Foreign” instead.
- **LLC owned by another company:** If your LLC is owned by another LLC (or another company), you also cannot get an EIN online. If you try, it'll return an error message at the end. You'll need to file Form SS-4 by fax or by mail.

## 6. Illinois LLC Annual Report

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- Every LLC in Illinois is required to file an **Annual Report** every year. It is due before the first day of the LLC's anniversary month, starting in the year after formation.

*For example:*

- If your Illinois LLC was formed on November 15th 2018, then your first Annual Report is due before November 1st 2019.
- If your Illinois LLC was formed on January 20th 2019, then your first Annual Report is due before January 1st 2020.

- **Illinois Annual Report Fee:** \$75 (if filed by mail), \$125 (if filed online).

- **File Annual Report by Mail. Download Form LLC-50.1:**

[http://www.cyberdriveillinois.com/publications/pdf\\_publications/llc501.pdf](http://www.cyberdriveillinois.com/publications/pdf_publications/llc501.pdf)

- **Mailing Address:**

Secretary of State  
Department of Business Services  
Limited Liability Division  
501 S 2nd Street, Room 351  
Springfield, IL 62756

*Important:* If you want a copy of your filed report, send 2 copies of the completed Annual Report along with a self-addressed and stamped envelope.

- **File Annual Report online:** <https://www.ilsos.gov/llcarpt/>. A receipt and copy of your Annual Report will be emailed to you after submission.

- **Penalty if late/not filed:** there is a \$300 penalty if you are 60 days late. If you are more than 180 days late, the state will administratively dissolve your LLC.

- **Reminders:** Reminders are mailed to your LLC's Registered Agent about 45 days before the due date.

## 7. Business Licenses and/or Permits

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- Your Illinois LLC may need business licenses and/or permits, depending on the location of the business and the kind of industry it is engaged in. To find out the licenses and/or permits your LLC will need, you can contact the government agency that regulates your business's industry, as well as the city, town, or county where it is located.

- **Need to save time?** There are over 20,000 licensing and permit jurisdictions in the United States. If you want to save time, we recommend hiring a professional service company to do the research and prepare the applications for your Illinois LLC. If you'd like a hand, you can use our partner company, [LicenseSuite](#).

They will provide you with a comprehensive package of all the licenses, permits and tax registrations required for your Illinois LLC, as well as the necessary application forms. Your research package and applications will be emailed to you in 2-4 business days.

## 8. Taxes

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- **Federal taxes:** As your Illinois LLC enjoys "pass through taxation", all of its profits/losses will be listed on a Schedule C and filed along with your personal income tax return (Form 1040) with the IRS.

- **Illinois State and local taxes:** You must register your LLC with the Illinois [Department of Revenue](#) (IDOR), as well as with the local tax authorities in the town, city or county where it is located.
- **Recommendation:** we recommend talking with a few accountants in Illinois for help as taxes can be quite complicated. Check out our [how to find an accountant guide](#) or you can use [Thumbtack](#).

## 9. LLC Bank Account

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- **Maintain your liability protection:** Form a separate bank checking account for your Illinois LLC to keep your personal and business finances separate.
- **Items needed to open an account:** Bring your approved Articles of Organization, EIN Confirmation from the IRS, and your driver's license or passport. Banks may also require additional items, so make sure to call them ahead of time.
- **Benefits:** Keeping a separate banking checking account will keep your personal finances from mixing or “commingling” with your business finances. It will also make accounting of your LLC's assets a whole lot easier.
- **Know your choices:** Call a few banks in Illinois and make comparisons. Some will charge monthly fees to maintain your LLC's checking accounts, others won't.
- **Debit card:** You will be issued a debit card for your LLC after the account is approved and opened.
- **Credit card:** If you want to build business credit for your Illinois LLC, we recommend getting one (or a few) credit cards under your LLC's name. We suggest using [www.creditcards.com](http://www.creditcards.com) to find business credit cards. You'll also be able to get cashback or travel rewards.

## 10. Business Phone Number

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Instead of using your home telephone number or your cell phone, you can purchase an affordable “virtual business number” specifically for your Illinois LLC. You can set this virtual business phone up to forward to your cell phone, go through voice prompts, or configure it any way you'd like.

We recommend using [Phone.com](http://Phone.com) as they have the cheapest plans and their customer service is excellent.

They offer local phone numbers as well as 1-800 toll-free numbers. You can easily setup call forwarding, pre-recorded prompts, and get voicemail messages forwarded to your email.

Getting a separate business phone number for your Illinois LLC is also a good idea in order to keep your actual number private from those pesky “public record” websites.

