TL;DR: Steps to create your PLLC

As we have talked about in the past, a PLLC is the way a Therapy Practice should be incorporated. Transitioning from a sole proprietor to a PLLC is simple, but time-consuming.

STEP 1

File PLLC Paperwork with Washington

$200 filing fee. This can take three to five business days. You should put together a PLLC agreement by using various LLC templates found freely online. If more than one person is going to be an owner, you should have an agreement drafted up by a lawyer.

STEP 2

File a new Washington Business License

If you are also making the S-Corporation election, you will need to mark the box “hiring employees.”

STEP 3

File for a new City License

STEP 4

New EIN number

Your business is now separate from yourself so it needs to have its own identification number. An EIN is used in place of a Social Security number. This number should be given to insurance companies that you take insurance from so that your 1099-Misc at year-end is issued under this number. Your EIN will also go on your business tax return each year.

The IRS form will ask what kind of entity this is for. You should list LLC, since a PLLC is a type of LLC.

Make sure you **save a copy of the letter** that is generated online. It should go in a secure place.

STEP 5

New Business Bank Accounts under the new UBI and EIN number

If you are using a practice platform like SimplePractice or TheraNest, or software like Stripe, make sure you update your bank accounts. On the expense side, any new charges will need to be to your new credit/debit card.

If you are using accounting software like QuickBooks, you will need to link the new accounts.

STEP 6

Close Accounts

Once you have switched over your software and services to use your new accounts, make sure you close your old bank accounts. Along with this, you will need to close your Washington DOR Account and your local business license for your old UBI number.

CONGRATULATIONS!

— you have officially done all the things to be a PLLC!

TL;DR: Accounting

Taxes and accounting made simple