

## **Texas LLC Startup & Compliance Checklist**

Starting a business is an exciting milestone but navigating the legal steps of forming and maintaining a Texas LLC can feel overwhelming. This free checklist is designed to make the process easier by breaking down every major requirement into simple, plain-English tasks you can check off as you go. From filing your formation documents to handling taxes, keeping records, and staying compliant year after year, this guide walks you through what to do and why it matters. It's a practical, easy-to-follow resource built to help new business owners stay organized and confident.

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### **Step 0. Planning Ahead**

- ☐ Decide which **type of LLC** you need: regular, *Series LLC* (asset “compartments”), or *Professional LLC* (for licensed services).
  - ☐ Make sure you'll have **at least one member** on day one.
  - ☐ Sketch your **management style** (member- vs manager-managed) and draft basic **voting rules** before you file—Texas defaults are “equal vote”, but big moves often need **all owners** to agree.
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### **Step 1. Choose and Register a Name**

- ☐ Must include “Limited Liability Company,” “Limited Company,” or **LLC / L.L.C. / L.C.**
  - ☐ Avoid restricted words (bank, university, Olympic, lottery, etc.).
  - ☐ Check availability with [SOS Direct](#) or by phone/email; distinguishable from any entity on file.
  - ☐ **Reserve** the name for 120 days if you're not ready to file (Form 501, \$40).
  - ☐ Need a different “public-facing” name? File an **Assumed Name Certificate** (DBA) with SOS and each county where you do business.
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### **Step 2. Appoint Your Texas Registered Agent**

- ☐ Individual or service company with a **Texas street address** - no P.O. boxes.
  - ☐ Get written consent (SOS Form 401-A not filed but keep it).
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### **Step 3. File the Certificate of Formation (Form 205)**

- ☐ Complete required blanks: LLC name, purpose (“any lawful purpose” is fine), registered agent/office, governing authority (list managers **or** initial members), organizer info.
- ☐ Optional items: delayed effective date (≤ 90 days), series language, liability-shield clause, duration, etc.
- ☐ Pay **\$300** filing fee via [SOS Direct](#) (instant), upload, mail or walk-in.
- ☐ If you're forming a PLLC, state that in the purpose box.
- ☐ When the SOS email confirmation arrives, download the stamped certificate - this is your LLC's birth certificate.

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#### **Step 4. Day-1 to Day-30 Punch List**

- ☐ **Get an EIN** online from the IRS (free, same day).
- ☐ **Open a business bank account**; take EIN + stamped certificate + Operating Agreement draft.
- ☐ **Write and sign the Company (Operating) Agreement**—Texas doesn't force you to, but it overrides unwanted default rules, controls voting and profit splits, and documents capital contributions.
- ☐ Hold a **first meeting or unanimous written consent** to: Ratify formation, adopt the Agreement, record initial cash/property contributions, authorize bank signers.
- ☐ Register for **Texas Sales & Use Tax Permit** if you sell taxable goods/services.
- ☐ File **Texas New-Hire Report** and get state UI accounts if you'll have employees.
- ☐ Check County / Municipal **permits & zoning**, and, if you serve alcohol or run a profession, the relevant state boards.

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#### **Step 5. Know Your Governance & Voting Basics**

| <b><u>Company Action</u></b>  | <b><u>Default Rule Under Texas Law</u></b>                                       | <b><u>How to Change It...</u></b>  |
|---|--|--|
| <b>Routine business decisions</b>   | Majority of <i>managers</i> (manager-managed) or <i>members</i> (member-managed) | Rewrite in Operating Agreement   |
| <b>Big decisions (merger, sale of substantially all assets, winding up)</b> | Majority of members  | Set a higher bar or require written consent  |
| <b>Adding a new owner</b>   | All current members must approve   | Lower threshold in Agreement   |
| <b>Amending the Agreement or Certificate</b>                                | Unanimous member approval  | Can't waive Certificate amendment unanimity, but you can relax Agreement changes if you say so |

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#### **Step 6. Money Rules**

- ☐ **Record each owner's contribution** (cash, property, services) on a contribution ledger – this is statutorily required.
- ☐ Profits/losses and distributions follow agreed contribution value unless you choose a different formula.
- ☐ Never distribute cash that would leave the LLC **insolvent**; owners who knowingly take illegal distributions can be forced to pay it back.

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### **Step 7. Protect the Liability Shield**

- ☐ Keep business and personal funds separate, sign contracts in the LLC's name, and document decisions - helps avoid veil-piercing.
- ☐ Decide whether the LLC will **indemnify** managers/members and buy D&O insurance if desired.

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### **Step 8. Maintain Mandatory Records**

- ☐ Store (paper or digital) at your principal office: certificate of formation & amendments, Operating Agreement, names/addresses & ownership percentages, minutes/consents, **six years of tax returns**, contribution schedule, any powers of attorney.
- ☐ Give any member or proper assignee access for a "proper purpose" on written request.

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### **Step 9. Stay in Good Standing Every Year**

- ☐ **Texas Franchise-Tax / Public Information Report**—file with the Comptroller by the Comptroller's annual deadline (currently mid-May) even if you owe no tax. Late filings risk penalties and **tax forfeiture** of the LLC.
- ☐ Keep a current registered agent and physical office; SOS can terminate you for neglecting either.
- ☐ Calendar reminders for name-reservation renewals, assumed-name renewals (good for 10 years), and any professional-license renewals.
- ☐ **Corporate Transparency Act (CTA)**: as of 2025 the rule targets *foreign* LLCs; monitor FinCEN updates and be ready to file BOI reports if the scope expands.

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### **Step 10. Handling Big Structural Moves**

#### ***Merger or Conversion***

- ☐ Draft plan, get **majority member approval** (plus any member who picks up personal liability).
- ☐ File **Certificate of Merger** (\$300) or **Certificate of Conversion** (\$300).

#### ***Amend Certificate of Formation***

- ☐ Unanimous member approval, file Certificate of Amendment (\$150).

#### ***Add a New Protected "Series" (Series LLC)***



- ☐ Adopt series language in Operating Agreement and update internal records; no SOS filing needed unless you want a *registered* series.

#### ***Wind Up and Terminate***

- ☐ Majority vote to dissolve, pay debts, get Texas **tax-clearance letter**, then file **Certificate of Termination** (\$40).

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**Step 11. If You Miss a Deadline - How to Fix it**

-  **Tax Forfeiture:** cure reports/taxes, obtain Comptroller clearance, and file **Reinstatement (Form 801, \$75)**.
-  **Administrative Termination (non-tax):** file **Certificate of Reinstatement** (Form 811, \$75) once the problem is corrected.

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**12. Doing Business Outside Texas**

- ☐ Register as a **foreign LLC** in states where you regularly operate; Texas fee to register **into Texas** is \$750 if you're the foreign entity.
  - ☐ Some activities (owning property, one-off sales, internal meetings) **do not** trigger registration.
  - ☐ Foreign LLCs must still file Texas franchise-tax/PIR once registered.
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