

How to Start a Single-Member LLC in Texas

Title: *Creating a Single-Member LLC in Texas*

Meta Description: *If you are the only owner of a business in Texas and want to run your venture as an incorporated entity, a single-member LLC will fit your needs to a tee. Read on to find out how to get a single-member LLC in Texas.*

Texas is one of the most business-friendly states in the US, so your venture's chances of success are pretty high. And a single-member LLC (SMLLC) structure will not only ensure liability protection for you but also add credibility to your whole enterprise.

If you want to open an SMLLC in this jurisdiction, you should be aware of the unique regulations valid in the state. Our article will take you through how to create a single-member LLC in Texas in a stepwise manner.

File a Single-Member LLC in Texas by Sticking to This Simple Plan

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Or delegate the formation job to a professional helper:

- [Northwest](#): \$100 + state fee
- [Tailor Brands](#): \$199 + state fee

How to Set up a Single-Member LLC in Texas: Instructions to Follow

Limited liability companies are **easy to set up**. Formally, Texas single-member LLC registration is about **state filing**. Yet, maintaining and operating a company is more than registering a legal entity.

Launching a business is a multi-stage process. And we've made a step-by-step guide to help you open a single-member LLC in Texas without a hassle.

1. Select a Name for Your Texas SMLLC

Each state has its own naming rules for LLCs, and Texas is not an exception. The [naming requirements](#) you'll have to stick to in this state are as follows:

- You should **include the term** "Limited liability company", "Limited company", "Limited", "LLC", or "Ltd." in the company name;

- You are forbidden to use **official terms** in your future company name such as “state department”, “treasury”, “FBI”, “CIA”, etc.;
- You should make sure your LLC name is **unique** in Texas by doing a [name search](#). You cannot use the name of an already existing legal entity;
- Avoid using monikers that **sound very similar** to already registered business names, this could cause trademark problems;
- To use such terms as “bank”, “doctor”, “attorney”, “college” and the like in your company name, you should get appropriate certifications first.

Should the chosen name version fail to match any of the above rules, your filing application will be rejected in Texas.

2. Designate a Registered Agent in Texas

A registered agent (RA) is a **law requirement** for limited liability companies across the states, no matter if you file a single-member or a multi-member entity. So, you should appoint one in Texas before submitting your application.

You need to choose someone with a **physical address** in the state who will be permanently present under that address during normal business hours to handle official correspondence on behalf of your Texas SMLLC.

Taking into account the fact that you can designate anyone older than 18 years of age or a legal entity authorized to operate in TX, you'll have the following RA options:

- **Yourself** or someone you trust enough to delegate this function;
- A **third party** with an appropriate professional background such as an accountant, tax advisor, financial consultant, or business attorney;
- A **professional RA service** that will organize the mail processing process in the best manner and provide other business assistance you might need.

Our recommendation is one of [Texas registered agent services](#). Though payable, it won't cost you a fortune. Meanwhile, it will save your peace of mind and stand on guard for your company's compliance.

3. File the SMLLC Formation Form in Texas

At a legal level, creating a single-member LLC in Texas is about filing the Articles of Organization with the TX Secretary of State. It's a kind of LLC passport that **validates** a company as an independent legal entity.

To file the [Articles of Organization in Texas](#), you need to fill out [Form 205](#) and submit it

- **Online** via the SOS official [website](#);
- **By mail** to

**Secretary of State
P.O. Box 13697
Austin, TX 78711**

- **In-person to**

**James Earl Rudder Office Building
1019 Brazos
Austin, TX 78701**

4. Write Down the Bylaws for Your Texas SMLLC

Many entrepreneurs would disregard this point when forming a single-member LLC in Texas. Yet, we strongly recommend that you treat it seriously and have it set during the business formation stage.

An Operating Agreement or Company Agreement in TX is **not a statutory requirement**. Yet, this document is a vital operating tool to have for the following reasons:

- To clearly determine the ownership structure and authorities;
- To outline operating procedures for efficient company management;
- To prevent conflicts and disagreements between the company members regarding some important issues and business situations.

You can hire an attorney to complete the document for you or do it on your own by downloading one of the free online templates.

5. Obtain an EIN for Your SMLLC in Texas

An **Employer Identification Number** (EIN) or Federal Tax ID is issued by the Internal Revenue Service for legal entities and has the same function as a Social Security Number for individuals.

An EIN is used to identify the company as a **taxpayer** and make it traceable for statutory and government authorities. You will **need an EIN** to do the following:

- Set up a separate bank account for your business;
- Employ workers and pay salaries to them;
- Handle some types of taxes and regulatory charges.

The IRS issues EINs **for free**. You can obtain one once your SMLLC is registered with the TX Secretary of State. You can apply for an EIN either **online or by mail**. Online filings are processed immediately.

How Much Is a Single-Member LLC in Texas

In some states, a filing fee depends on the filing method you choose. However, the cost of a single-member LLC in Texas is **\$300**, no matter how you submit your formation docs to the Secretary of State.

Some expenses that might add to your final payment list include:

Service	Cost
Name reservation if you need to put your desired business name on hold for a period of up to 120 days	\$40
RA service annual subscription if you hire a dedicated assistant for your RA function	\$50 to \$300
Licensing charges to get must-have certifications for your business	Varies
DBA registration if you decide to run your enterprise under a name different from your registered business moniker	\$25
Domain and URL registration to set up your online presence from the start	Varies

Prime Post-Formation Tasks for Your SMLLC in Texas

When you've done with your Texas single-member LLC registration, there are three important steps you should take immediately after formation to launch your business on the right foot and make it operable:

1. Settle a **dedicated bank account** for your entity to split personal and business assets and cash flows to maintain the liability shield;
2. Get the **licenses and permits** required to run a business in Texas;
3. Purchase **insurance policies** to safeguard your enterprise against the most common risks and potential damages.

Keeping Your Company Compliant in TX

When forming a single-member LLC in Texas, you will not only get rights and protections but also have **certain obligations** to keep your entity eligible. Those are **compliance requirements** you should observe such as:

- Maintaining a **valid RA** in Texas;
- Maintaining **active licenses** and other certifications pertinent to your type of business activity;
- Filing an **annual information report** to the State Comptroller's office before May 15 to keep up-to-date company records;
- Filing an **annual franchise tax report** if your business receipts exceed \$1.18 million.

FAQ

What is a single-member LLC in Texas?

Technically, it's a limited liability company founded and operated by a single person. SMLLCs use the advantage of liability protection while being taxed as sole proprietorships.

How to apply for a single-member LLC in Texas?

You need to fill in Form 205 for the Certificate of Formation, file it with the Secretary of State, and get it approved by the regulator.

How long will it take to file a single-member LLC in TX?

If you file online, you'll get your entity registered in 2-3 business days. Filing by mail, though, get ready to wait for 7-10 business days to get your formation documents back.

How will my Texas single-member LLC be taxed?

All LLCs are taxed as pass-through entities by default which is one of the biggest benefits of this legal structure. At the same time, you'll have an opportunity to elect a corporate tax status for your entity.

Will my Texas SMLLC be exposed to a franchise tax?

The state does have a franchise tax requirement in place. Yet, if your company's gross income is below \$1.18 million, you won't have to pay a franchise tax. Should it be higher, the tax rate will vary from 0.375% to 0.75% depending on the revenue.

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Keyword stuffing

