

Cheat Sheet #1

LLC Formation Informational Cheat Sheet

The state of Michigan has provided us with information you'll need to consider before you file for an LLC. This cheat sheet is ideal for those who are still on the fence about forming an LLC in this state. We put the most common advantages and disadvantages in this easy-to-read PDF. It should help you solidify your decision in seconds.

The Advantages of Creating an LLC within the State of Michigan.

There are 4 advantages of forming an LLC in the state of Michigan. They involve difficulty level, cost, management options, and immunity from liabilities.

LLC Formation Difficulty Level: Easy

An LLC is one of the easiest business structures to create. Michigan's process requires filling out no more than 3 pages of paperwork. Who can beat that?

Management Style Options: Broad

If your company requires a knowledge-based management team--form an LLC in the state of Michigan. It's also an ideal location for those who must have a talent-based management team. If more than one manager isn't necessary, put yourself in charge. Your LLC will support the use of a non-member manager, too.

LLC Formation Cost: Low

Sometimes the biggest hurdle in starting a new business involves costs. LLC formation in Michigan can save you thousands of dollars in attorney fees. It's the type of business model you can set up with outside support and not break the piggy bank, too.

Personal Liability Immunity: High

An LLC is a protective business structure. It protects members by lowering their risk of personal lawsuits.

LLCs maintain a paper trail to enjoy the highest level of protection from lawsuits. Be advised that simply setting up an LLC isn't enough to stay safe in Michigan. Make sure your bank account matches the name of your LLC, for example. Simple but adequate books must also be kept. Failure to sign contracts "for" or "on behalf" of the LLC can leave members wide open for a lawsuit.

Dot your T's and cross your I's to get the most protection possible out of your LLC. Also, learn more

about LLC Resolutions to increase member protection. Large loans, for example, should have a documented resolution to ensure member protection.

The Disadvantages of Creating an LLC within the State of Michigan

We've identified two potential disadvantages worthy of your consideration. One involves taxes. The other involves case law.

Taxation Complexity: High

The way you structure your LLC can impact how the IRS will tax the business. For this reason alone you may want to consult with us before you create an LLC.

Michigan reports having a complex tax filing system. You may need the support of a trained tax professional as well. Especially you're not comfortable with filing LLC taxes.

Case Law History: Low

The state of Michigan reports it has fewer precedents for LLC legal protection. This means Michigan corporations enjoy more case law history for judges to consider. Yet LLCs in the state do not. So if you're on the fence about creating the LLC on your own, this tidbit of information might be helpful.

A well-formed LLC in the state of Michigan is essential. Lean on our expertise the second you need support. We'd be happy to help.