

Cheat Sheet #4

All About EIN Numbers For LLCs Cheat Sheet

Learn more about EINs. This PDF is ideal for people who are new to business. Or, those who have never formed an LCC before.

Applying for an EIN number is important. The IRS uses it to identify your new LLC. You'll use this number when reporting income and filing taxes. It's necessary for banking in your LLC's name. Some business licenses and permits agencies also request an EIN number. Wholesalers, for example, won't sell to businesses without one, either. Your new EIN number will broaden the range of companies you can do business with.

What's an EIN Number?

The acronym EIN stands for "Employer Identification Number." It's issued by the IRS to those who conduct business. You don't have to have employees to get one, despite what the name of this number suggests. You can apply for one before your company has grown.

An EIN number can only be used for tax administration. It is not for use in tax lien auction sales or lotteries.

How Can I Use My EIN With an LLC?

You can use the EIN number to open a business account and apply for a business license on behalf of your LLC. This is the number you'll need to use to file your LLC state and federal taxes as well.

When Should I Apply For an EIN?

Wait for the state to approve your LLC. This wait ensures that your EIN Federal Tax ID number isn't attached to a non-existent LLC. That can happen if your LLC is not approved.

Are There Any Costs Associated With Getting an EIN Number?

No. EIN numbers are free. You don't need to pay for one. So there's no need to add the cost an EIN to your budget. Beware of websites that suggest you have to pay for them.

What Do I Need to Apply For an EIN?

The requirements to qualify for an EIN is simple. You must have a Social Security Number or an Individual Taxpayer Identification Number.

Who Can Apply For Our LLCs EIN?

Only an officer, partner, grantor, owner or trustor of the LLC can apply for an EIN, according to the IRS. This party must be in charge of controlling, managing or directing the company's funds. The IRS requires the applicant to be a natural person.

Note: The IRS cannot process an application if an EIN number has been to an applicant online, already. You'll need to apply by fax or mail if this is the case.

Can I Use a Nominee?

No. A "nominee" cannot secure an EIN number on behalf of your LLC. We understand nominees are given authority to act on a person's behalf for a limited period of time. Yet there still needs to be a "responsible party" established. The use of a nominee is not a good remedy for those forming an LLC. Due to abuses, the IRS determines that nominees enable non-compliance.

How Do I Apply For an EIN?

The IRS offers several ways to apply for the LLC's EIN. You can apply online, by fax, by mail or by telephone (if you're an international applicant). Applying online will get the fastest results. The processing time frame for mailing an EIN application is 4 weeks. You'll need to complete Form SS-4 to secure an EIN by fax. <https://www.irs.gov/pub/irs-pdf/fss4.pdf>

Online applications are preferred by the IRS. <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>.