

Title:

Why You Should Incorporate in Nevada

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536

Summary:

When you incorporate in Nevada, you gain a number of business advantages in addition to those that you would receive when you incorporate in another state. Read on to find out more....

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Article Body:

According to the U.S. Census Bureau, there are close to 18 million businesses in the United States that have no paid employees. According to a Census Bureau report, "Nationally, these small businesses make up more than 70 percent of all businesses.... Nationwide, receipts totaled \$770 billion." The data shows that Nevada is consistently at or near the top of the nation in the increase in the numbers of small businesses.

The Case for Nevada

It's natural to wonder why Nevada, which ranked thirty-fifth in population following the last census, is such a hotbed of business activity. The simple answer is that, when you incorporate in Nevada, you gain a number of business advantages in addition to those that you would receive when you incorporate in California or in another state.

For example, Nevada doesn't tax the income of either individuals or corporations, and doesn't share information with the Internal Revenue Service or with other outside agencies. A Nevada corporation's directors do not have to be stockholders, and a Nevada corporation can purchase, hold, or transfer its own stock. In fact, the state is avidly pro-business and goes to great lengths to protect the privacy of business owners. So, while Nevada's annual filing requirements necessitate providing information on a single officer or director, changes to a corporations directors or officers do not have to be disclosed.

General Advantages of Incorporation

In addition to the specific advantages you gain when you incorporate in Nevada, corporations offer other benefits. In essence, a corporation is a completely separate entity from its owner or owners. Thus, incorporating gives you a great deal of protection from liability. While the corporation's assets can be targeted, when the corporation's officers and directors are fully compliant with the law, their individual assets remain off limits. In addition, it's easy to transfer ownership of a corporation, and it continues to survive as a legal entity even in the event of the death of an officer or director. Further, the ability of a corporation to garner funding is much greater than that of a person owning a sole proprietorship.

Nevada LLCs

LLC stands for Limited Liability Company, and is often viewed as a hybrid between a corporation and a partnership. Nevada LLCs, California LLCs, and those from other states can only stay in existence for 30 years, and can involve more public disclosures about member and owner information. In addition, the problems associated with the transfer of ownership of an LLC require extensive preplanning.

Taking the Plunge

Being a small business owner is fraught with worries and potential pitfalls. If you own a small business, it's worth your while to consider incorporating in Nevada. When you decide to take the plunge, however, make sure that you receive the guidance that you need to properly comply with all state and federal regulations.

The company you choose to assist you should have extensive experience in structuring and protecting businesses, and have a solid background in the formation of corporations in Nevada. It should also be able to walk you through the process, file the necessary paperwork on your behalf, provide you with resident agent service, and provide you with all of the compliance materials you need in order to launch your corporation.