

# Start a Business in West Virginia

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This guide provides step-by-step paperwork, filing fees, and processing times to start your business. It will help you file formation documents, obtain tax IDs, and set up company records. Please note:

- The registration process varies by **business structure**. If you have not decided whether you want to form an LLC, corporation, or other business structure, [click here](#).
- The registration process also varies by **state**. If you do not wish to form your business in West Virginia, [click here](#).

## Paperwork, cost, time, and step-by-step instructions

Below is an overview of the paperwork, cost, and time to form each of the most popular business structures. Click the structure to view step-by-step formation instructions.

Structure	Paperwork	Cost	Time
<a href="#">West Virginia LLC</a>	<ul style="list-style-type: none"> <li>• Form LLD-1: West Virginia Articles of Organization of a Limited Liability Company</li> <li>• Operating Agreement</li> <li>• IRS Form SS-4: Obtain an EIN</li> <li>• Form WV/BUS-APP: West Virginia Office of Business Registration</li> </ul>	<ul style="list-style-type: none"> <li>• Formation: \$100</li> <li>• WV Business Registration: \$30</li> </ul>	<ul style="list-style-type: none"> <li>• Formation: ~1-2 business days mail or online.</li> </ul>
<a href="#">West Virginia Corporation</a>	<ul style="list-style-type: none"> <li>• Form CD-1: West Virginia Articles of Incorporation</li> <li>• Bylaws</li> <li>• IRS Form SS-4: Obtain an EIN</li> <li>• Form 2553: S-Corp Election, if desired</li> <li>• Form WV/BUS-APP: West Virginia Office of Business Registration</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation: \$50</li> <li>• State tax registration: \$30.</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation: ~1-2 business days mail or online.</li> </ul>
<a href="#">West Virginia Nonprofit</a>	<ul style="list-style-type: none"> <li>• Form CD-1NP: West Virginia Articles of Incorporation with Non-Profit IRS Attachment</li> <li>• Bylaws</li> <li>• IRS Form SS-4: Obtain an EIN</li> <li>• IRS Form 1023: 501(c) Tax Exempt Application</li> <li>• IRS Determination Letter</li> <li>• Form WV/BUS-APP: West Virginia Office of Business Registration</li> <li>• Form F0003: Certificate of Exemption</li> <li>• URS Charitable Registration, if applicable</li> <li>• Form CHR-1: West Virginia Registration Statement of Charitable Organizations, if not exempt</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation: \$25</li> <li>• 501(c): \$400 or \$850 IRS fee</li> <li>• West Virginia charitable registration: \$15-50 (\$0 if exempt)</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation: ~1-2 business days</li> <li>• 501(c): ~3-6 months</li> </ul>

## Top 5 Tips on Registering a Business in West Virginia

1. File with the West Virginia Secretary of State by mail the original and one copy that will be returned to you.
2. A corporate suffix is required in your business name (for an LLC or corporation).
3. Appointing a registered agent is required. We'll help you figure out if you can serve as your own agent.
4. Corporations and LLCs must file an annual report with the West Virginia Secretary of State.
5. The registration process in West Virginia is relatively friendly compared to other states. The process, forms, and fees are not too intimidating. Should your business expand go another state (e.g. Maryland), anticipate a greater challenge getting registered.

## Shortcut for Small Businesses

90% of small businesses can avoid the overwhelming array of legal vocabulary and tax options. When you are just getting started, you really only need to consider two options:

1. a sole proprietorship (one owner) or a general partnership (many owners), or
2. a limited liability company

These structures are inexpensive to start, easy to run, and permit you to save money on taxes with pass-through taxation. LPs, LLPs, and other partnerships are generally used by attorneys, accountants, real estate agents, and other professionals. Small businesses should pretend corporate structures don't even exist; a corporation is typically used for more complex ownership and investment structures. Start with a business structure that is inexpensive and easy to run and change later if need be.

	<b>Sole Proprietorship/ General Partnership</b>	<b>Limited Liability Company (LLC)</b>
Summary	These structures are the fastest and most affordable way to get up and running - the paperwork is minimal. The biggest drawback (and a very important one) is that these structures do not provide limited liability.	We form more LLCs than any other business structure. Their popularity is for good reason. LLCs combine the liability protections of corporations with the pass-through taxation available to sole proprietors and partnerships.
Control	Owners have total control of business operations and profits. Partners define the management and profit-sharing of the business in a document called the Partnership Agreement.	An LLC is owned by members. They usually receive profits according to their percentage ownership. The members can manage the LLC themselves or declare the LLC "manager-managed" and appoint managers. The LLC writes an Operating Agreement which defines how the business holds meetings, may add owners, and otherwise runs itself.
Limited Liability	No. The owner's personal assets are at risk.	Yes. Members are protected from the liabilities of the business.
Taxation	Income or loss is passed through to the owners.	Most small businesses start with pass-through taxation (the same as a sole proprietorship or partnership). The LLC may make a special election to be taxed as an S-Corp or C-Corp, which can help save on taxes as the business grows.

## Tip #1: Your Business Name

Does your business name include your legal last name? If not, your state likely requires you to register your business name. For example, John Doe would not need to register “John Doe’s Lawn Ornaments” but would need to register “Flamingoes Galore Lawn Ornaments”. To fulfill the requirement, you can register either a fictitious name (to start a sole proprietorship or general partnership) or a business entity.

## Tip #2: The Importance of Liability Protection

Registering a business entity (such as an LLC) provides the added benefit of limited liability. Limited liability is what protects your personal assets if the business gets into debt or is sued. Your home, car, retirement account, and children’s college funds stay yours.

Limited liability should be the chief concern for most owners. Often it is not until owners discuss their risks that they realize their exposure. Any business with a physical location, employees, or that sells a product or service that might malfunction (e.g. food poisoning) has liability risk.

A common misconception is that you don’t need limited liability if you purchase liability insurance. The difference is this: liability insurance protects the assets of the business while a limited liability entity protects the assets of the owners. Furthermore, liability insurance can exclude coverage and set policy limits.

## Tip #3: Comparing Costs and Effort

An LLC is probably not as expensive or time-consuming as you think.

- In some states, it is actually less expensive to form an LLC than register a business name. For example, in Pennsylvania a fictitious name costs \$270 and an LLC costs \$125. Call us for a cost comparison in your state (1-888-995-5895).
- Regardless of which business structure you choose, you *should* be running your business as a business. This means keeping separate finances for your business, signing contracts under the business instead of your personal name, and other day-to-day basic business behaviors.
- Many accountants do not charge extra to file your taxes as an LLC. They need to prepare many of the same forms and schedules.
- Running an LLC means that you should hold an annual meeting. If it's just you, have a meeting with yourself. Take yourself and your business partners out to lunch (on the business), discuss your performance in the past year and plans for the next year, and write meeting minutes for your LLC records.
- Some states charge an annual fee to run an LLC and some do not. Call us if you want us to look this up for you.

## Tip #4: Form your business in the state where you live and work

There is a lot of hype about registering your business in another state such as Delaware. The catch is that if you register your business in another state, you also have to register in your home state. So you would have to pay the expense of setting up and running two business entities.

## Tip #5: Most small businesses save money with pass-through taxation

Pass-through taxation means that your business profits, losses, credits, and deductions “pass through” to your personal income tax returns. At the end of the year, you simply add your business income to your personal income then pay all taxes at your personal income tax rate. A sole proprietorship, general partnership, and LLC all receive pass-through taxation by default. In general, an LLC can save on taxes when profits exceed ~\$75,000 per year per owner by electing S-Corp taxation.