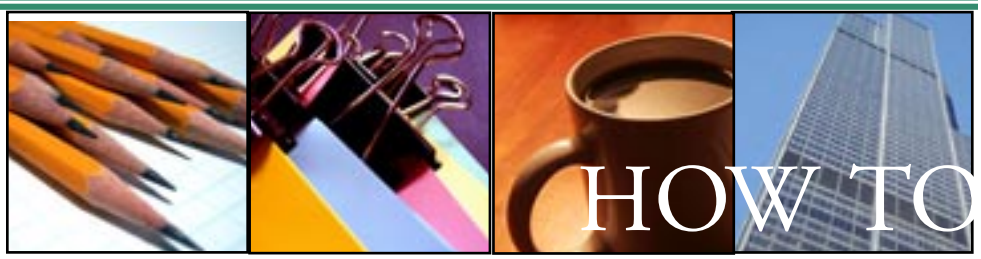
OSBDC
Oklahoma Small Business Development Center



How To Form a Sub-Chapter S Corp

Designed to work With our Business Basic guide.
We hope that you will attend an OSBDC workshop on starting your business, and also use our more comprehensive Business Basic booklet.
This sheet is meant to be more of a checklist of what is filed in what order.

We are not attorneys and this is not meant to supplant legal advice!

People often use attorneys for ease of use – they are going to be significantly more experienced in business formation – doing the legal part of getting companies formed. It takes a lot of time to figure out, try to understand and follow up on everything. If you are going into business with someone else, you are foolish if you don't have an attorney work with you on a buy-sell agreement. Business relations are like marriages – many end in divorce, and it's ugly when they break up. If you don't have anything in writing, or just what you wrote yourself, it might bring unintended consequences in the future.

Forming the Corporation

Form – Articles of Incorporation
File – Oklahoma Secretary of State - file online (go to business entities - Web Filing) or download the form.
Cost - $100

You are not done yet!

You just formed a regular c corporation. You must ask the IRS for subchapter s status.

Obtaining Your Tax ID Number

Note: You will need this number for all the forms that come after this.
Apply with the IRS – Form SS-4. File online and click here.
Please note that the web site is temperamental in that you have

The Oklahoma Small Business Development center network helps Oklahoma business start, grow and succeed.

Network Locations
The OSBDC has locations throughout the state. Click here to find the office nearest you.

Workshops
The OSBDC provides workshops and training seminars on various topics. Click here for a listing.

OSBDC Blog
The OSBDC Blog is updated several times weekly. This contains news and items of interest to small businesses.

Business Basics
Use this booklet for more comprehensive information on starting a business in Oklahoma.

Business Plan
The Business Plan is an easily used guide to get your plan together for financing

Guia Para Nuevos Negocios

Plan de Negocios

to do it exactly the way it wants you to do it. For example, it does not like punctuation such as commas or periods. It won't give you the ID until it gets the format it wants.
Cost – None

Register the Corporation with the Oklahoma Tax Commission, and apply for a sales tax permit, if applicable.

All new corporations need to file this form such as a registration with the state.

If you need a sales tax permit (in general, only those companies selling products), this form is also used for that. NOTE: You will receive a "Provisional permit" for six months. If you are still in business after that, it will be good for three years.

Form – Business Registration Packet – NOTE: This is a "one size fits all" sort of form and is used for many things. The form is lengthy – you will need to complete pages A-E of the packet.

File – With the Oklahoma Tax Commission, PO Box 26850, Oklahoma City, OK 73126-0850. You may also take it to the Commission office. Click here for locations.
Cost – no charge for business registration
Cost – sales tax permit - $20

Do you need a sales tax permit?

This number is used to purchase tax exempt inventory from suppliers, wholesalers, or distributors that you will resell to others. When new business owners ask for Tax ID numbers, most of the time they really want a number to purchase tax exempt inventory from suppliers at wholesale prices. This is called a reseller's permit, resale exemption certificate or sales tax permit.

Ask the IRS for your corporation to be a subchapter s corporation.

If you don't ask the IRS for a subchapter s corporation, you will be a regular c corporation. A c corporation has more paperwork and more taxes, because it is a separate entity.

Form – 2553 – download the form
File – with the IRS – Internal Revenue Service Center, Ogden, UT 8420, or fax it to (801) 620-7116.

Other Documents You Must Have

Cooperative Bylaws – this is the governing document of the company. Think of this as a company's Constitution. Even if you are a one person corporation you should have one. If you are going to have a company structure that helps limit your personal liability, then you need to think and act like a company. Having one for a one person company gives legitimacy. If you have more than one owner, you really need one of these.

Buy/Sell Agreements

If you have more than one owner, we recommend that while you can file many documents yourself, you are much better served on the Buy/Sell Agreement if you have an attorney help you with that. By creating a buyout agreement, the owners of a small, privately held corporation can be prepared when a shareholder wants to be bought out, or worse, dies, goes bankrupt, or gets divorced.



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Other Documents you should have:

A will – now that you are in business, you need to make sure that if something happens to you that your wishes regarding the business also happen the way you want.

Financial Power of Attorney – if for some reason you are incapacitated, there needs to be someone that has the ability to carry on with the business activities.

For more legal information

Go to your local public library. We like the legal self-help publisher, Nolo, for their very understandable web site, guides and books. Their books, many of which are in the library, are understandable which is helpful even if you work with an attorney. Quicken Willmaker can be good for very simple wills and power of attorney documents.



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